

Lanyon Investment Fund Active ETF



PRODUCT DISCLOSURE STATEMENT (PDS)

ASX CODE: LNYN | ISIN: AU0000335879 | APIR: LYN3596AU

DATED 14 JUNE 2024

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Read this

This PDS is a summary of significant information relating to the Lanyon Investment Fund Active ETF. You should consider the information in this Product Disclosure Statement (**PDS**) in its entirety and the Target Market Determination (**TMD**), which includes a description of who the Fund is appropriate for, before making a decision about the Lanyon Investment Fund Active ETF.

The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. Before making an investment decision, you should obtain financial advice tailored to your personal circumstances.

Important notice

Lanyon RE Services Limited (ABN 59 661 585 815, AFSL 544723) (**Lanyon RE**) is the responsible entity (**Responsible Entity**) of the Lanyon Investment Fund Active ETF (ARSN 670 944 242, ASX:LNYN, ISIN AU0000335879, APIR LYN3596AU) (**Fund**). Lanyon RE holds Australian financial services licence number 544723 issued by ASIC, which authorises it to operate the Fund. Lanyon RE, as the Responsible Entity of the Fund, is the issuer of units in the Fund (Units) and of this PDS and TMD.

This PDS is dated 14 June 2024 and a copy of this PDS was lodged with ASIC on this date. At the time of lodgement of this PDS with ASIC, the Responsible Entity has made an application to the Securities Exchange for Units in the Fund issued pursuant to this PDS to be quoted for trading on the Securities Exchange. Once the Fund has been quoted for trading on the Securities Exchange, the Units of the Fund will be traded on the Securities Exchange like any quoted security. No representation is made concerning the Units' quotation on the Securities Exchange and admission to trading status on the Securities Exchange is no indication of the merits of the Fund. Neither ASIC nor ASX take any responsibility for the contents of this PDS.

Neither Lanyon RE nor its directors guarantees the performance or success of the Fund, the offer detailed in this PDS (**Offer**), the repayment of capital or any particular rate of capital or income return.

An electronic version of the latest version of this PDS and the TMD is available from <http://www.lanyon.com.au>. A copy of this PDS is available free of charge on request by telephoning (08) 8432 0460 or by email: ir@lanyon.com.au. The Offer under this PDS is only available to persons receiving the PDS within Australia (including in electronic form). This PDS does not constitute an offer or invitation in any place outside Australia. This PDS is not to be distributed in jurisdictions outside Australia.

Information contained in this PDS is subject to change from time to time. Where updated information is not materially adverse, Lanyon RE will ensure updated information is made available on the ASX Market Announcement Platform and on the investment manager's website at <http://www.lanyon.com.au>. A paper copy of the updated information will also be given, or an electronic copy made available, to a person upon request without charge. When any other changes occur, a new PDS will be issued in accordance with the Corporations Act 2001 (**Corporations Act**). For investors investing through a platform, updated information may be obtained from the platform operator.

Investment Manager

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Responsible Entity

This PDS is issued by Lanyon RE Services Limited

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Unit Registry

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This PDS contains important information about the Fund. It does not take into account your investment objectives, financial situation or particular needs. Before you invest, you should read this PDS and the TMD carefully in its entirety and consider whether an investment in the Fund is appropriate to your objectives, financial situation and needs. You are encouraged to obtain independent legal, taxation and financial advice.

In this PDS, 'Lanyon RE', 'Responsible Entity', 'RE', 'we', 'us' or 'our' refers to the Responsible Entity and 'you', 'your' refers to prospective unitholders. Unless otherwise stated, all amounts in this PDS are quoted in Australian dollars. Any expression or term used in this PDS which is defined in the Fund's constitution (**Constitution**) has the same meaning in this PDS as is given to it in the Constitution. This PDS may be provided to people who wish to invest in the Fund through a platform. In this circumstance, the platform becomes an investor in the Fund, acquires the rights of an investor and may exercise or decline to exercise those rights on your behalf.

1. ABOUT LANYON RE SERVICES LIMITED

1.1 Responsible Entity – Lanyon RE

Lanyon RE is the Responsible Entity for the Fund. Lanyon RE is a wholly owned subsidiary of Lanyon Asset Management Pty Limited ABN 45 140 631 714. Lanyon Asset Management Pty Limited has been an investment manager since 2010.

The Responsible Entity holds Australian Financial Services Licence number 544723 issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution and the Corporations Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Corporations Act.

The Responsible Entity has established a Compliance Committee with a majority of external members. The compliance plan is overseen by the Compliance Committee and is audited annually with the audit report being lodged with ASIC.

The Responsible Entity has the power to delegate certain aspects of its duties. The Responsible Entity has appointed Lanyon Asset Management Pty Limited as the investment manager of the Fund, pursuant to the investment management agreement.

1.2 Investment Manager – Lanyon Asset Management

Lanyon Asset Management Pty Ltd (**Lanyon** or **Investment Manager**) is an Australian based equities fund manager and has been appointed as the investment manager to manage the investments of the Fund. Lanyon is a privately held firm, founded in 2010. Lanyon employs a value investment approach and invests in various types of assets, including financial assets and traded securities of publicly listed entities.

Lanyon's investment process is based on long-established value investment principles. Investments are made when Lanyon believes there is a sufficient margin of safety between price and Lanyon's view of intrinsic value. Typically, securities will be purchased at discounts to Lanyon's view of intrinsic value, to the value of their tangible assets or on very low multiples of sustainable free cash flow, following an intensive research effort. Lanyon manages funds for family offices, high net worth individuals, for-purpose entities, superannuation funds and private investors.

1.3 Custodian, Administrator, Unit Registry, and Market maker

The Responsible Entity has appointed Citigroup Pty Ltd as **Custodian**, William Buck Managed Funds Administration (SA) Pty Ltd as **Administrator** of the Fund, and Automic Pty Ltd (trading as Automic Group) as **Unit Registry** to provide registry services for the Fund.

Under the Securities Exchange Rules, the Responsible Entity is under certain obligations in respect of the Fund to facilitate an orderly and liquid market for the Fund. The Responsible Entity will appoint market maker(s) to maintain continuous liquidity.

Given the importance of the role of the market makers(s), the Responsible Entity seeks to appoint market maker(s) that:

- have experience in making markets in exchange quoted products and other types of listed securities in both Australian and overseas;
- are participants of the Securities Exchange and have agreements with the Securities Exchange Operator to act as a market maker; and
- have the necessary skill and expertise to perform a market making function.

For the avoidance of doubt, the market maker(s) act as buyer and seller on the "secondary market" for Units in the Fund (i.e. transact on the Securities Exchange trading platform) and are not involved with the applications to and withdrawals from the Responsible Entity directly.

Under the market making arrangements, the market maker will generally retain for its own account any trading profit or bear any loss generated by its market making activities.

2. HOW THE LANYON INVESTMENT FUND ACTIVE ETF WORKS

2.1 The structure

The Lanyon Investment Fund was registered with ASIC on 7 September, 2023. The Fund is a registered managed investment scheme, established as a unit trust, where funds from unitholders are pooled with other unitholders' funds. Lanyon invests these funds on behalf of all unitholders.

The Fund is established and governed by the Constitution, which sets out the rights of unitholders and the powers and responsibilities of the Responsible Entity. The Responsible Entity is able to terminate Lanyon's appointment under the investment management agreement at any time in certain circumstances, including but not limited to, fraud, misconduct, dishonesty or gross negligence on the part of the Investment Manager, where the Investment Manager enters into receivership, liquidation, ceases to carry on business, sells its business or is legally unable to operate as an investment manager of a registered managed investment scheme, and where the Investment Manager is in breach of any representations or warranties to the Responsible Entity and fails to rectify the breach.

Termination in these circumstances is without payment of any penalty.

Investors can enter the Fund through acquiring Units on the Securities Exchange, through a platform operator, or directly with the Unit Registry. Investors can exit the Fund through selling units on the Securities Exchange, redeeming Units through a platform operator, or directly with the Unit Registry. All Units are fungible and the method you enter the Fund does not determine how you should exit the Fund. An investor who acquires Units directly with the Unit Registry can exit the Fund through the Securities Exchange by contacting their broker. Similarly, an investor can redeem units through their Unit Registry by submitting a withdrawal request to the Unit Registry.

2.2 Interests in the Fund

The beneficial interest in the net assets of the Fund is divided into Units and every Unit confers on its holder an equal interest in the net assets of the Fund. A Unit does not confer any interest in any particular part of the net assets, but only such interest in the net assets as a whole as is conferred under the Constitution. All of the Units issued rank equally except as provided to the contrary in the Constitution. Unitholders acquire Units in the Fund. The price of interests will vary as the market value of assets in the Fund rises or falls.

The Responsible Entity has made an application to the Securities Exchange for Units in the Fund issued pursuant to this PDS to be quoted for trading on the Securities Exchange. Once the Fund has been quoted for trading on the Securities Exchange, the Units of the Fund will be traded on the Securities Exchange like any quoted security.

Under the Securities Exchange Rules, the Responsible Entity has certain obligations in respect of the Fund to facilitate a liquid and orderly market. The Responsible Entity will appoint a market maker to provide continuous liquidity to the market by acting as a buyer and seller to the Securities Exchange. The market maker uses information such as the NAV and MPI to determine the price of Units and places bid-ask spreads around this value before sending these prices to the Securities Exchange as bid and ask orders. Market maker orders are updated continuously throughout the day to reflect price changes in the underlying securities.

The NAV estimates the value of the Fund at the close of trading on a previous day in each market in which the Fund invests. The NAV per Unit will be published daily on the Fund's website www.lanyon.com.au prior to the commencement of each trading day on the Securities Exchange. The NAV per Unit may fluctuate each day as the market value of the Fund's assets rises or falls. The Responsible Entity's Unit Pricing Policy provides further information about how the NAV per Unit is calculated.

The Responsible Entity has engaged an agent to calculate and disseminate an iNAV which will be published on the Fund's website www.lanyon.com.au throughout the Trading Day as well. The iNAV reflects real time movements in markets and currencies during the Trading Day. The Responsible Entity or its appointed agents give no guarantees that the iNAV will be published continuously or that that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity nor its appointed agent shall be liable to any person who relies on the iNAV. The price at which Units trade on the Securities Exchange may not reflect the NAV per Unit or the iNAV.

The Fund will not disclose every underlying asset on a daily basis. Disclosing the ongoing investment strategy of the Fund would create an unacceptable risk to the Fund and the investors. The Fund will disclose a proxy basket representing material portfolio information (MPI) that will enable the market maker to determine the price at which it buys and sells Units on the Securities Exchange. The proxy basket is intended to represent the value of the applicable Fund during the Trading Day.

The market maker creates and redeems Units with the Responsible Entity at prices that are determined by the published NAV of the Fund and the MPI. The NAV is based on the value of every underlying asset in the applicable Fund. This means the market maker has a strong incentive to ensure there is minimal or no difference between the price at which it buys and sells Units (based on the NAV and MPI) and the price of Units created or redeemed based on the NAV of the Fund.

The price at which Units either trade on the Securities Exchange or may be applied for or redeemed with the Responsible Entity, may not reflect the NAV per Unit or the iNAV. Refer to Section 5 'Risks of managed investment schemes' for further details on this risk.

2.3 Liquidity on the Securities Exchange

Units are transacted (bought and sold) on the secondary market, in the same manner as securities listed on a securities exchange.

The Responsible Entity has appointed a market maker to execute its market making activities to provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units. At the end of each Trading Day, the market maker may create or cancel Units by applying for or redeeming its net position in Units bought or sold on the Securities Exchange. The liquidity provided by the market maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the market maker to create and redeem Units.

You can sell Units on the Securities Exchange through your stockbroker. Your exit price will be the price at which you sell Units on the Securities Exchange, less any brokerage fee that you have agreed or negotiated with your stockbroker.

There is no minimum number of Units that you can sell on the Securities Exchange (subject to any conditions imposed by your stockbroker). You can only sell whole Units. You will receive proceeds from the sale of your Units through the CHESSE settlement service in the same way as if you had sold securities on the Securities Exchange.

2.4 Minimum Investment Amount

There is no minimum investment amount or minimum withdrawal amount when buying or selling Units on the Securities Exchange.

When applying for Units with the Unit Registry, the minimum initial investment is \$25,000. There is no minimum additional investment amount if payment is made through BPAY. There is no minimum withdrawal amount. If you are investing through a platform, you should read your platform operator's offer document for the minimum investment amount.

2.5 Acquiring and disposing of Units with the Unit Registry

Acquiring Units

You may acquire Units in the Fund by completing the Application Form and providing it to the Unit Registry and paying for the Units applied for in accordance with the instructions set out in the Application Form. If the Application Form is accepted by the Responsible Entity, Units will be issued at the Application Price. The Application Price will be calculated daily in accordance with the Constitution and the following formula:

$$\frac{\text{Net Asset Value (NAV) + Transaction Costs}}{\text{Number of Units on issue}}$$

The number of Units an investor receives will be calculated in accordance with the Constitution and the following formula:

$$N = S/AP$$

where:

N is the number of Units to be issued (rounded down to four decimal places);

S is the Subscription for Units; and

AP is the Application Price for Units.

The Responsible Entity will retain any interest earned on application money before it is paid into the Fund.

If you wish to apply, you must do so completing the online Application Form, at <https://apply.automic.com.au/LanyonInvestmentFund> or by completing the paper-based Application Form and sending it to the Unit Registry at lanyon@automicgroup.com.au. The Application Price is calculated daily. The cut off for application and associated cleared funds is 2.30 pm (AET). You can make an investment in the Fund by completing

the online Application Form and paying for the Units applied for. Payment method can be by cheque, electronic funds transfer, or BPAY in accordance with the instructions in the Application Form. Where a correctly completed Application Form and application monies are received and accepted by the Unit Registry before 2.30 pm (AET), you will start earning distribution returns from that day. Where received and accepted by the Unit Registry after 2.30 pm (AET), you may not start earning distribution returns until the following day.

Notwithstanding the above, your application may be accepted or rejected in part or in full at the absolute discretion of the Responsible Entity. If you are investing through a platform, you should refer to your platform operator for information about the treatment of your investment.

How to add to an existing investment

You can increase your investment by acquiring Units in the Fund in the same manner as set out below or by reinvesting your distributions (if permitted), which is explained further in Section 2.9 'Distributions' below.

In order to add to an existing investment in the Fund, please complete the online Additional Application Form available on the Automic Investor Portal at <http://investor.automic.com.au>, or by sending your completed paper-based Additional Application Form to the Unit Registry at lanyon@automicgroup.com.au and pay for the Units applied for by way of cheque, electronic funds transfer, or BPAY in accordance with the instructions in the Additional Application Form. The daily cut off for application documentation and associated cleared funds explained above (2.30 pm (AET)) applies to additional investments.

Disposing Units

You can decrease your investment by withdrawing some or all of your Units any time by submitting a withdrawal request through the Automic Investor Portal at <http://investor.automic.com.au>, or by completing and sending a paper-based withdrawal form to the Unit Registry at lanyon@automicgroup.com.au, setting out your instructions as to the number of Units or the amount you wish to redeem, and your payment instructions. The Redemption Price is calculated by dividing Net Asset Value less Transaction Costs by the number of Units on issue. You can make either a partial or full redemption. Proceeds from a redemption will normally be available within 14 days of receipt of a valid request. Redemption proceeds are also subject to clearance by your bank, building society or credit union.

However, the Constitution specifies that a redemption request is to be satisfied only if the Fund is 'liquid' as defined in the Corporations Act or if the redemption request is made in response to a current withdrawal offer made by the Responsible Entity. Generally speaking this definition requires at least 80% of the assets of the Fund to be realisable for market value within the period set out in the Constitution for satisfying redemption requests. If the Fund becomes "illiquid" redemption rights may be suspended until the Fund is no longer "illiquid".

Further, the Constitution specifies that the Responsible Entity may in its sole discretion for such period as the Responsible Entity considers reasonable, refuse to cause to be redeemed Units where such redemption within that period would result in the Responsible Entity having insufficient funds or such redemptions would otherwise prejudice the interests of remaining unitholders.

In some circumstances, such as when there is a freeze on withdrawals, unitholders may not be able to withdraw their Units within the usual period upon request. The Responsible Entity reserves the right to change processing times.

If you are investing through a platform, you may be subject to different conditions from those referred to in this PDS. You should follow the instructions of the platform operator when making an investment or withdrawing your investment from the Fund.

An investor that applies for Units directly via the Unit Registry may pay a different price for Units in the Fund to an investor who buys Units on the Securities Exchange at the exact time. Similarly, a Unitholder who redeems Units via the Unit Registry is likely to receive a different price for Units in the Fund to a Unitholder who sells Units on the Securities Exchange at the exact same time. These differences in prices received by Unitholders may result in a different return from an investment in the Fund.

2.6 Transfer and conversion of Units

Investors will be able to convert or transfer their Units if:

- your Units are held directly with the Fund on the Issuer-Sponsored sub-register (SRN) and you wish to convert or transfer your Units to the Clearing House Electronic Sub-register System (CHESS) sub-register (HIN). To do this, you will need to provide your broker with your SRN. You are only able to convert or transfer whole Units and any residual Units will be cancelled and become the assets of the Fund; or
- your Units are held in an account with your broker on the CHESS sub-register (HIN) and you wish to transfer your Units to another HIN or to transfer or to convert your Units to an account directly with the Fund on the Issuer-Sponsored sub-register (SRN). The Unit Registry will process a transfer of Units for investors on receipt of a completed original standard transfer form.

Switching may be subject to delays and may require AML, FATCA and CRS procedures to be completed.

2.7 Cooling off

Investors do not have cooling off rights in respect of Units in the Fund (regardless of whether they were purchased on the Securities Exchange or applied for directly with the Unit Registry).

2.8 Comparison of transacting on a Securities Exchange and through the Unit Registry

The table on the next page sets out a summary comparison of the differences when transacting on the Securities Exchange and transacting through the Unit Registry.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through the trust to its members;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

Summary Comparison – Transacting on a Securities Exchange or with the Unit Registry

	Buying Units on a Securities Exchange	Applying for Units directly with the Unit Registry
How do I make an investment in the Fund?	<p>Investors can invest in the Fund by purchasing Units via their trading platform or stockbroker.</p> <p>An application form is not required to be completed by investors as they will settle the purchase of their Units in the same way they would settle purchases of listed securities via the Securities Exchange settlement service.</p>	<p>Units may be acquired by completing the Application Form that accompanies this PDS.</p> <p>Your application for Units will be accepted if we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money before or at 2pm (Sydney time) on a Business Day] .</p> <p>You will generally receive the Application Price calculated for that Business Day.</p>
What is my entry price when I make an investment in the Fund?	<p>The price at which an investor purchases Units on a Securities Exchange will be their entry price. Stockbrokers will provide transaction confirmations for Units bought or sold on a Securities Exchange. Brokerage fees and commissions will apply when buying and selling the units on a Securities Exchange. Investors should consult their stockbroker for more information in relation to these costs</p>	<p>The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is generally equal to the NAV 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 0.25%.</p> <p>The Application Price will vary as the market value of assets in the Fund rises or falls.</p>
Is there a minimum number of Units I need to purchase?	<p>There is no minimum number of Units investors can buy on a Securities Exchange subject to any conditions that your stockbroker may have in place.</p>	<p>The minimum initial investment amount is \$25,000.</p> <p>There is no minimum additional investment amount to invest in the Fund if payment is made via BPAY.</p>
	Selling Units on a Securities Exchange	Withdrawing Units directly with the Unit Registry
How do I withdraw my investment?	<p>Investors can withdraw from the Fund by selling Units on a Securities Exchange through their stockbroker. A withdrawal form is not required to sell Units on a Securities Exchange and investors will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the Securities Exchange settlement service</p>	<p>Investors in the Fund can generally withdraw their investment by submitting a withdrawal request to the Unit Registry.</p> <p>You must hold your Units on the Fund's Issuer-Sponsored sub-register and provide your SRN.</p> <p>Your withdrawal request will be accepted if we receive a withdrawal request before or at 2 pm (Sydney time) on a Business Day . You will generally receive the Withdrawal Price calculated for that Business Day.</p>
At what price can I sell my Units in the Fund?	<p>The price at which an investor sells Units on a Securities Exchange will be their exit price. Brokerage fees and commissions will apply when buying and selling the units on a Securities Exchange. Investors should consult their stockbroker for more information in relation to these costs</p>	<p>The price at which Units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price").</p> <p>The Withdrawal Price on a Business Day is generally 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 0.25%. The Withdrawal Price will vary as the Fund rises or falls.</p>
Is there a minimum number of Units I need to withdraw?	<p>There is no minimum number of Units investors can sell on a Securities Exchange subject to any conditions that your stockbroker may have in place.</p>	<p>There is no minimum withdrawal amount.</p>

2.9 Distributions

The distributable income of the Fund will generally consist of interest, net realised capital gains on the sale of underlying assets and dividends (and in some cases interest or other trust distributions) received by the Fund less fees and expenses of the Fund.

Your entitlement to distributions is calculated by dividing the net distributable income by the total number of Units on issue at the distribution date and multiplying the result by the number of Units you hold on that date. Please refer to Section 7 'Fees and other costs' of this PDS for further information on fees and other costs.

If you have not provided a TFN or exemption category, or if your application shows a country of residence other than Australia, withholding tax will be deducted from your distributions.

The Responsible Entity intends to make distributions at least annually following the end of June of each year and may make half year distributions following the end of December.

While the Constitution allows the Fund to take up to 60 days for payment of distributions it is anticipated that distributions will be made approximately 30 business days after the end of the relevant period.

If you have nominated to reinvest your distributions, your new Units will be issued immediately before the next valuation after the distribution period at the prevailing Application Price (excluding Transaction Costs).

If you have nominated to receive your distribution directly to your bank account and the transfer is unsuccessful on three occasions, those distributions will be reinvested in the Fund, and your future distribution method will be changed to reinvestment until you specify otherwise.

The Responsible Entity may decide to permit or require you to reinvest some or all of any distribution to acquire additional Units. If the Responsible Entity suspends the distribution reinvestment option, all subsequent distributions will be paid directly into your bank account until reinvestments recommence.

Additional Units issued to investors who hold their Units with a stockbroker (HIN holding on the Securities Exchange sub-register) or who hold their Units directly with the Fund (SRN holding on the Issuer-Sponsored sub-register) will be rounded to the nearest whole number. For the avoidance of doubt, only whole Units will be issued under the dividend reinvestment plan regardless of whether an investor holds their Units through a HIN holding or SRN holding.

If you have invested in this Fund through a platform, then all distributions and distribution statements relating to investments made via a platform will be provided to the operator of that service.

2.10 Unit pricing policy

The Responsible Entity maintains a formal unit pricing policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in relation to the calculation of Unit prices (including determining the NAV) A copy of the unit pricing policy will be made available free of charge on request.

3. BENEFITS OF INVESTING IN THE LANYON INVESTMENT FUND ACTIVE ETF

The significant features of the Fund are:

Investment strategy – The Fund will invest in securities of entities listed on domestic and foreign exchanges.

Investment objective – The Fund's investment return objective is to earn returns superior to the combined benchmark consisting of 75% of the S&P/ ASX 300 Accumulation Index and 25% of the MSCI All Country World Index net total returns AUD index (Benchmark) after taking account of fees and costs incurred by the Fund.

Nature of investment return – It is intended unitholders will be able to access a combination of investment returns, income distributions and capital gains, over the medium to long term.

Distribution reinvestment – Reinvestment is available.

Distribution frequency – At least annually

The significant benefits of the Fund are:

- your money is managed by a professional investment manager who has skills and experience that may not be possessed by all unitholders;
- access to investment opportunities, markets and diversified portfolio that may not be accessible to all unitholders;
- fund managers can often invest for lower cost than other investors.

The significant features and the significant benefits of the Fund which are set out in this section are a summary only. You should read the whole PDS and TMD before deciding whether to complete the Application Form as it contains important information about this investment.

4. SECURITIES EXCHANGE RULES

An application has been made for the Units to be admitted to trading status on the ASX market under the ASX AQUA Rules framework. This PDS is required to set out the key differences between the ASX Listing Rules and the ASX AQUA Rules. These differences are set out below, and generally relate to the level of control and influence that the issuer of a product has over its underlying instruments.

Requirement	ASX Listing Rules	ASX AQUA Rules
Continuous Disclosure	Issuers of products under the Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>The Responsible Entity, as an issuer of a product under the ASX AQUA Rules, will not be subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the Corporations Act for the Units.</p> <p>However, under the ASX AQUA Rules, the Responsible Entity must provide ASX with information where the non-disclosure of that information may lead to the establishment of a false market in the Units or would materially affect the price of the Units.</p> <p>The Responsible Entity is required to disclose information about the NAV per Unit daily. The Responsible Entity must also disclose information about:</p> <ul style="list-style-type: none"> • net monthly applications and redemptions; • dividends, distributions and other disbursements; and • any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act. <p>The Responsible Entity will make any required disclosures through the ASX Market Announcements Platform at the same time as it is disclosed to ASIC.</p>
Periodic Disclosure	Issuers of products under the ASX Listing Rules are required to disclose half yearly and annual financial information or annual reports under Chapter 4 of the ASX Listing Rules.	<p>The Responsible Entity, as an issuer of a product under the ASX AQUA Rules, is not required to disclose half yearly and annual financial information or reports.</p> <p>However, the Responsible Entity is still required to lodge with ASIC financial reports required under Chapter 2M of the Corporations Act.</p>
Corporate Control	Listed managed investment schemes are subject to requirements in the Corporations Act and the ASX Listing Rules relating to matters such as takeover bids, share buy-backs, change of capital, new issues.	<p>As products quoted under the ASX AQUA Rules are not shares in companies, the issuers of such products are not subject to the corporate governance requirements under the Corporations Act and the ASX Listing Rules.</p> <p>However, the Responsible Entity, as an issuer of a product quoted under the ASX AQUA Rules, is subject to the general requirement to provide ASX with information concerning itself that may otherwise lead to the establishment of a false market or materially affect the price of the Units. Section 601FM of the Corporations Act will continue to apply to the Responsible Entity for the removal of a responsible entity of a registered managed investment scheme by unitholders</p>
Related Party Transactions	Chapter 10 of the ASX Listing Rules specifies controls over related party transactions (which relate to transactions between an entity and other people in a position to influence the entity).	Chapter 10 of the ASX Listing Rules does not apply to AQUA Products, such as the Units. However, as the Fund is a registered managed investment scheme, it is still subject to the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act
Auditor Rotation Obligations	There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act	<p>The Responsible Entity, as an issuer of a product quoted under the ASX AQUA Rules, will not be subject to the requirements of Part 2M.4 Division 5 of the Corporations Act.</p> <p>However, the Responsible Entity, will continue to be required to undertake an independent audit of its compliance with the Fund's compliance plan in accordance with section 601HG of the Corporations Act and the auditor must not be the auditor of the Responsible Entity's financial statements (although they may be from the same firm).</p>

5. RISKS OF MANAGED INVESTMENT SCHEMES

5.1 General

Before investing, you should consider whether the Fund is suitable for you given your investment objectives. An investment in the Fund should be considered long-term. If you require further information regarding the potential risks of this investment, you should seek appropriate financial advice.

All investments carry risk and there are many factors that can impact on the performance of an investment. You should expect that the values of assets in which the Fund invests, and the level of income derived by the Fund, might fluctuate. Consequently, the value of your investment and the amount of any income entitlement distributed may rise or fall and you may suffer losses.

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

Although it is not possible to identify all the potential risks, the summary below details the significant risks that you should be aware of when investing in the Fund. It does not purport to be a comprehensive statement of all the risks.

It is not possible to protect the value of your investment from all risks. However the Responsible Entity will maintain investment and management processes that are intended to help minimise some of the risks.

5.2 Significant risks of the Fund

The significant risks of investing in the Fund are:

Small companies risk – Small cap companies may have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of small companies may also be less liquid than those of larger companies.

Fund Risk – The Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would always give you at least 30 days' notice where practicable if fees were to increase), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.

Currency Risk – The Fund generally does not currency hedge. There is a risk that currency fluctuation may adversely impact the value of international stock positions. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase and has the potential to increase the value of the Fund's investments. Conversely, if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease and this has the potential to reduce the value of the Fund's investments.

Concentration Risk – The Fund may invest a relatively high percentage of its assets into a relatively small number of securities, or into securities with a relatively high level of exposure to the same sector. This may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

Economic risk – The performance of the Fund can be affected by a range of economic factors including changes in exchange rates, interest rates, inflation, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds and other tradeable investments and the general state of world conditions.

Market risk – Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and / or prolonged market volatility.

Security specific investment risk – There is a risk that investments chosen by the Investment Manager will not perform as well as others. Returns on investments may be adversely affected by changes in the underlying strength of cash flows, earnings and balance sheets of the entities in which the Fund invests. Factors which may cause this to happen include changes in company management, competitor behaviour, global events, currency movements and government policy.

Foreign investment risk – Additional risks arise when investing overseas, including but not limited to requirements under the foreign regulatory and legislative regime, differences between such regimes and the regimes in Australia, changes to those regulatory and legislative regimes, changes in foreign exchange control regulations, foreign tax legislation and withholding tax and government policy. Global and country specific macroeconomic factors may impact the Fund's investments. Governments may intervene in markets, industries and companies and may act to prevent or limit the repatriation of foreign capital which may impact the Fund's investments. Additionally, differences in accounting, legal, securities trading and settlement procedures can also impact on the value of the Fund's investments.

Currency risk – Investment in foreign markets involves currency risk. Currency movements relative to the Australian dollar can cause changes in the value of the Fund's investments. A rise in the Australian dollar relative to other currencies may negatively impact investment values and returns. Currency markets can be volatile and are subject to a range of unpredictable factors.

Liquidity risk – Access to your money may be delayed (see Section 2 'How the Lanyon Investment Fund Active ETF works'). Overall market liquidity may contribute to the profitability of the Fund and access to your money. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker. Unit holders may not be able to redeem their investment promptly where stocks in the portfolio are considered illiquid due to market or economic events. Be aware that a portion of the Fund may consist of unlisted investments that are generally illiquid.

Income risk – The level of income distributed to unitholders in the Fund can fall as well as rise, and the tax status of such income may also change.

Government and taxation policies – Any changes in government and taxation policies may affect the amount of distributions receivable by unitholders, as well as the taxation treatment of those distributions in their hands.

Dependence on key personnel – The Investment Manager, and to a lesser extent the RE and service providers, are dependent on a small number of key personnel. It follows that the loss of key personnel of the RE or the Investment Manager or other key service providers may adversely affect the Fund's performance.

Cyber risk – There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity or other service providers.

Potential conflicts of interest – The Investment Manager may be the investment manager of other funds not described in this PDS and entities within the 'Lanyon Group' (comprising Lanyon

Asset Management Pty Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Lanyon RE have implemented policies and procedures to identify, manage and where possible, mitigate or avoid the conflict.

Operational risk – Risks associated with the operation of the Fund may include human error, a systems breakdown, external threats and other factors beyond the Responsible Entity's control.

Dual access risk – There are important differences between entering and exiting the Fund via the Securities Exchange or by applying for and withdrawing Units directly with the Unit Registry. This includes, but is not limited to, the entry and exit price you will receive. For example, an investor that applies for Units through the Unit Registry may pay a different price for Units in the Fund in comparison to an investor who buys Units on the Securities Exchange at the same time. This may be due to factors such as where Units in the Fund are bought and sold on the Securities Exchange, the price at which an investor buys or sells Units will generally include an allowance to cover transaction costs but will also reflect market conditions and supply and demand for Units during the Trading Day. As such, the cost of the spread on the Securities Exchange may be different to the cost of the 'buy spread' or 'sell spread' for investors who apply or withdraw directly with the Unit Registry.

iNAV risk – The iNAV is indicative only and may not accurately reflect the true value of the underlying assets of the Fund.

Market making risk – The Responsible Entity has appointed a market maker on behalf of the Fund. The market maker may provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units in the Fund. There is a risk that the market maker may not always be able to make a market in times of, amongst other things, market disruption, system failure, suspension, unusual market conditions and uncertainty about the value of the portfolio. Investors may not be able to buy or sell units on the Securities Exchange in such circumstances.

MPI risk – There is a risk that the bids and offers displayed and the price at which the Units trade on the Securities Exchange may be materially different from the Fund's quoted NAV and iNAV. The bids, offers and trading price are dependent upon a number of factors, including demand for the Units.

In particular, the market maker will rely upon the MPI which comprises a daily basket of securities selected to track the movements of the Fund as closely as possible in order to post bids and offers on market. There is a risk that the market value of this basket of securities may deviate from the market value of the Fund. For example, this deviation may arise due to circumstances in which it is difficult for the fair value of assets to be determined such as volatile market conditions or where assets are not regularly or easily traded or where the Fund holds securities that have been suspended or are not traded on a recognised exchange.

Securities Exchange liquidity risk – The liquidity of trading in the Units on Securities Exchange may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on a Securities Exchange during any period that the Securities Exchange suspends trading of Units.

Securities Exchange Unit price risk – The price at which Units may trade on a Securities Exchange may differ materially from the NAV per Unit and the iNAV.

Removal from quotation risk – To allow for continued quotation of the Units under the Securities Exchange Rules, certain requirements are imposed. There is a risk that the Fund will not be able to continue to meet these requirements in the future or that the Securities Exchange Operator may change the quotation requirements.

5.3 Significant risks of investing in managed investment schemes generally

The value of investments will vary. The level of returns will vary, and future returns may differ from past returns. Further, returns are not guaranteed, and unitholders may lose some or all of their money.

Laws affecting registered managed investment schemes may change in the future.

The level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of the unitholder's wealth are invested and the unitholder's risk tolerance.

6. HOW WE INVEST YOUR MONEY

The Investment Manager offers a single investment option and it is not intended that the Fund will offer any other investment options to unitholders. The Fund's investment strategy is to primarily invest in securities of entities listed on both the Australian Stock Exchange and foreign stock exchanges. The Fund will typically hold 15 to 25 listed securities at a time. Under normal market conditions, the strategic target asset class allocation is predominantly focused on approximately 80-90% listed securities, with the balance of 10-20% held in cash and cash equivalents. However, this strategic target asset class allocation is a target only and actual asset class allocations may differ from the target.

The Fund aims to provide unitholders with superior long-term returns by investing in predictive, free cash-flow generative businesses that trade at a compelling discount to their intrinsic value. The Fund's investment return objective is to earn returns superior to the combined benchmark consisting of 75% of the S&P/ASX 300 Accumulation Index and 25% of the MSCI All Country World Index net total returns AUD index (**Benchmark**) after taking account of fees and costs incurred by the Fund. However, there is no guarantee that such outperformance will occur. Further, returns are not guaranteed and a loss of investment may occur.

In general, this investment opportunity is only suitable for types of investors who are primarily seeking a medium to long-term investment with a significant exposure to foreign listed securities and the potential for high returns, and who are prepared to hold the investment for at least 3 to 5 years due to the risk and volatility associated with listed equities investment in general. The minimum suggested investment timeframe is therefore at least 3 years.

This Fund is considered a high risk investment.

The Responsible Entity has the right to terminate the Fund, or change the Fund's investment return objective (including without limitation the strategic asset class allocations and the investment strategy) without providing prior notice to investors in some cases. The Responsible Entity will inform investors of any material changes to the Fund in accordance with the law.

The Fund makes its investments on the recommendation of the Investment Manager. The Investment Manager is responsible for the identification and assessment of securities that it believes (individually or in combination with other investments of the Fund) are suitable for meeting the requirements of the Fund's investment strategy. The Investment Manager is then responsible for the ongoing monitoring and assessment of the performance of each investment in the portfolio.

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

While the Fund intends to conduct itself in an ethical and sound manner, the Responsible Entity and Investment Manager do not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising an investment of the Fund.

7. FEES AND OTHER COSTS

7.1 Fees and other costs

This document 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 Section 8 'How managed investment schemes are taxed' of this PDS.

You should read all information about fees and costs because it is important to understand their impact on your investment. If you are investing via a platform, any additional fees that you may be charged by your platform operator for investing in the Fund via the platform should be set-out in the platform's offer document.

The information in the fees and costs summary can be used to compare costs between different simple managed investment schemes.

All the fees and costs shown in this section include stamp duty and GST less any reduced input tax credits (RITC) unless otherwise stated.

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 advisor.

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.

The managed funds fee calculator on the ASIC website (www.moneysmart.gov.au) can also be used to calculate the effect of fees and costs on account balances.

Fees and Costs summary

Lanyon Investment Fund Active ETF		
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 ¹	1.1% p.a.	The Fund's management fee ² is 1.1% p.a. and is calculated on the Fund's net asset value, accrued daily and deducted from the Fund's assets within 14 days of the end of each month and is reflected in the unit price.
Performance fees³ Amounts deducted from your investment in relation to the performance of the product	1.16% p.a.	The performance fee is 20% (ex GST) or 20.5% (inc GST less RITC) of the Fund's outperformance of the Benchmark. Where a performance fee is charged in respect of the Fund, it is calculated and accrued daily and deducted from the assets of the Fund within 14 days of the end of each six month period.
Transaction Costs The costs incurred by the scheme when buying or selling assets	0.14% p.a.	Transaction costs are paid as and when they are incurred by the Fund by a deduction from the assets of the Fund and are reflected in the unit price. Transaction costs are net of any buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)²		
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 scheme	Buy spread: 0.25% Sell spread: 0.25%	The buy spread applies to each application in the Fund and is reflected in the Fund's Application Price upon application. The sell spread applies to each withdrawal and is reflected in the Fund's Redemption Price upon withdrawal.

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

All fees are shown as a % of net asset value of the Fund (except accrued fees)

1. This fee does not include an amount payable to an advisor. See "Advisor remuneration and commissions" under the heading.
2. The amount of this fee can be negotiated. See "Differential arrangements" under the heading "Additional explanation of fees and costs" for more information.
3. The performance fee disclosed in the "Fees and Costs summary" table in section 7.1 above is calculated based on an average of the previous five financial years of the Fund. The fact that a performance fee was paid however, is not a representation of likely future performance.

Warning: Additional fees may be paid to a financial advisor if a financial advisor is consulted. Please refer to the Statement of Advice in which details of the fees are set out.

Additional explanation of fees and costs

Example of annual fees and costs for this Fund

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

EXAMPLE: Lanyon Investment Fund Active ETF		
Balance of \$50,000 with a contribution of \$5,000 during year		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Fees and Costs	1.1% p.a.	And , for every \$50,000 you have in the Fund, you will be charged \$550.00 each year.
PLUS Performance Fees	1.16% p.a.	And , you will be charged or have deducted from your investment \$580.00 in performance fees each year.
PLUS Transaction Costs	0.14% p.a.	And , you will be charged or have deducted from your investment \$140.00
EQUALS Cost of 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: \$1,270.00* What it costs you will depend on the fees you negotiate.

**Additional fees may apply. The actual amount you will be charged will also depend on the timing of additional investments. This example assumes that the additional contribution of \$5,000 is invested at the end of the year and the fees are calculated based on \$50,000. This example does not include additional fees that may be charged by your platform operator for investing in the Fund.*

7.2 Management fees and costs

Management fees and costs are incurred in managing the investments of the Fund, comprising the investment management fee paid to the Investment Manager, fees payable to the Responsible Entity, Administrator, Unit Registry, Custodian, sub-Custodian, Auditor and other service providers, administration and other expenses and indirect costs. Indirect costs are any amounts that directly or indirectly reduce the returns on the Units that is paid from, or reduce the amount of value of, the income or assets of the Fund (including an underlying investment of the Fund). The Fund's management fees and costs are based on the actual costs of the past financial year.

These costs, charges, expenses and outgoings that are incurred in the proper performance of its duties can be recovered by the Responsible Entity from the assets of the Fund. The Responsible Entity pays the fees of the Administrator, Unit Registry, Custodian, any sub-custodian, auditor and other service providers out of the funds it receives from the management fee, retains its fee and then pays the balance to the Investment Manager. As these fees and costs are recovered from the Fund, they are not directly deducted from your investment.

7.3 Performance fee

A performance fee is an amount paid or payable, calculated by reference to the performance of the Fund and is reflected in the unit price. The performance fee is 20% (exclusive of GST) or 20.5% (inclusive of GST less RITC) of the Fund's outperformance of the Benchmark. The performance fee is calculated and accrued daily and is deducted from the Fund within 14 days of the end of each six month period. The performance fee is subject to a "high water mark" whereby such fee will only be payable when the value of unitholders' holdings (including any distributions) exceeds the previous highest month-end level (after any distributions). The performance fee disclosed in the "Fees and Costs Summary" table in section 7.1 above is calculated based on an average of the previous five financial years of the Fund. The fact that a performance fee was paid however, is not a representation of likely future performance.

7.4 Transaction costs

Transaction costs are incurred when acquiring and disposing of certain Fund assets. These costs may include brokerage, buy-sell spreads, settlement costs, clearing costs and stamp duty. All transaction costs of the Fund which are incurred by the Responsible Entity in the proper performance of its duties will be recovered from the Fund after they are incurred. Transaction

costs are estimated to be 0.14% of the net asset value of the Fund. Transaction costs are offset to some degree from benefits that the Fund receives by charging a buy/sell spread.

A buy/sell spread of 0.25% applies to the Fund. For example, if you invested \$50,000 in the Fund, the cost of the buy/sell spread would be \$125. The buy/sell spread is designed to fairly allocate costs associated with the Fund buying and selling assets as a result of investors buying and selling Units in the Fund. The buy/sell spread is charged to investors via a deduction from the value of the Units that investors buy or sell and is an additional cost to those investors. It is retained by the Fund and is not a fee payable to the Responsible Entity.

The Responsible Entity estimates that the buy/sell spread will account for most of the transaction costs of the Fund. Where the transaction costs exceed the amount recovered through the buy/sell spread, the excess amount will be borne by the Fund. Conversely, where the amount recovered through the buy/sell spread exceeds the transaction costs, the excess amount will be retained by the Fund.

Transaction costs for FY2023	0.141%
Recovery through buy/sell spread	0.010%
Net transaction costs for FY2023	0.131%

7.5 Advisor remuneration and commissions

The Responsible Entity does not currently pay any adviser remuneration or commissions to those who are engaged to promote the Fund. However, the Responsible Entity reserves the right to negotiate such amounts on a case-by-case basis and only with those who are authorised to operate under an Australian financial services licence or are otherwise permitted by law to receive such payments.

7.6 Differential fee arrangements

From time to time, the Responsible Entity may consider making arrangements with certain wholesale clients (as defined in the Corporations Act) on an individual case-by-case basis or with platform operators, in relation to the charging, rebating or waiving of management fees in circumstances permitted by the Corporations Act or where applicable relief has been granted by ASIC. Any such arrangement will be entered into in accordance with the requirements of the Corporations Act, ASIC class orders and ASIC instruments. The Responsible Entity does not negotiate fees with retail investors or individual platform investors. Any differential fee arrangements will not adversely affect the fees paid or to be paid by any Unitholder of the Fund who is not entitled to the benefit of those fee arrangements. Requests to negotiate fees must be put in writing to the Responsible Entity and sent to the Administrator.

7.7 Fee changes and waivers

While the Constitution provides the discretion of the Responsible Entity to charge fees up to a maximum defined threshold that may differ from the fees stated in this PDS, it is not currently intended to do so. Although the Responsible Entity has the right to change the amount of fees at any time without the investor's consent, the Responsible Entity intends to communicate any changes to you or your platform operator (as applicable) in writing at least 30 days prior to any proposed change. This would allow enough time for you or your platform operator (as applicable) to withdraw if you or they wish. Furthermore, although not intended, the Responsible Entity and/or the Investment Manager may elect to waive or defer the payment of fees. Any deferred fees are payable on the removal of the Responsible Entity or Investment Manager as appropriate.

7.8 Tax

For information about tax, please see Section 8 'How managed investment schemes are taxed' in this PDS.

7.9 More information

If you would like to find out more, see ASIC's website (www.moneySMART.gov.au).

8. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. Persons are strongly advised to seek professional tax advice.

8.1 Tax position of the Fund

Based on Australian taxation laws at the date of this PDS, no Australian tax will be payable by the Fund provided that the Responsible Entity distributes all distributable income of the relevant Fund to unitholders in full for each year of income. It is the Responsible Entity's intention to make such distributions. Registered managed investment schemes do not pay tax on behalf of unitholders.

8.2 Tax on income

Fund distributions should generally be included as part of an unitholder's assessable income in the year in which the entitlement arises. This assessable income includes income and capital gains that a unitholder is entitled to but has not yet received. Unitholders are assessed for tax on any income and capital gains generated by the Fund. As the Fund will invest in securities issued by companies listed or to be listed on foreign securities exchanges, generally any dividends paid by these companies will not generate franking credits. However, as the taxation treatment of distributions depends on each unitholder's individual circumstances, they should consult their taxation advisor. You should note that the price of a Unit will fall by the amount of any distribution (per Unit) immediately after the distribution is made. Accordingly, where you invest just prior to a distribution date, then that distribution effectively represents a return of your investment. Depending on your particular circumstances, this may have certain tax implications and we recommend that you consult your taxation advisor.

8.3 AMIT

Lanyon RE Services has made an election for the Fund to operate as an Attribution Managed Investment Trust (AMIT). An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through the trust to its members;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

9. OTHER INFORMATION

9.1 Continuous disclosure and interim reports

If 100 or more unitholders hold Units, the Fund will be a disclosing entity under the Corporations Act. As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations which require lodgement of annual and half yearly reports and continuous disclosure notices. All of this information may be obtained from, or inspected at, an ASIC office.

If applicable, you may also obtain from the Responsible Entity, free of charge, copies of the most recent annual financial report lodged with ASIC, any half yearly financial report lodged with ASIC after the lodgement of the annual financial report and before the date of the PDS, any continuous disclosure notices lodged with ASIC after the lodgement of the annual financial report and before the date of the PDS.

Any continuous disclosure obligations we have will be met by following ASIC's good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly should Lanyon RE, as responsible entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable on the Fund's website.

9.2 Consents and declaration of interest

Lanyon Asset Management Pty Ltd, William Buck Managed Funds Administration (SA) Pty Ltd, Automic Group and Citigroup Pty Ltd have given their consent to be named as the Investment Manager, Administrator, Unit Registry and external custodian respectively in this PDS and to the statements in this PDS concerning their respective roles and activities, in each case in the form and context in which it is included or named, and have not withdrawn this consent before the date of this PDS.

9.3 Consents and declaration of interest

The Units can be bought and sold on the Securities Exchange in the same way as other listed securities.

Under the Securities Exchange Rules we have an obligation to facilitate an orderly and liquid market in Units and have appointed a market maker to assist us in doing so. While we will monitor the market maker's ability to maintain continuous liquidity in the market, there is no guarantee of liquidity, particularly if there is a failure by the market maker to make a market.

Further, there is a risk to transacting investors that Unit prices determined using the MPI disclosure model during the Trading Day will not accurately represent the value of Units. This risk could arise due to, for example, market volatility or stale prices in the underlying assets.

Investors must rely on the expertise of the Responsible Entity and the market maker to determine a proxy basket and bid/ask prices that will accurately track all material price movements of the portfolio.

The Responsible Entity has also engaged an agent to calculate and disseminate the iNAV which will be published on our website at www.lanyon.com.au throughout the Trading Day. The iNAV will be updated for price movements of underlying fund investments through live market prices and for foreign exchange movements for the Fund's portfolio of international securities. Where there are no stocks held by the Fund that have live market prices during the Trading Day, movements in the iNAV will only reflect the fair value of these stocks with no live market prices

9.4 CHESSE

The Fund uses the ASX Clearing House Electronic Sub-Register System ('CHESSE'). Settlement through CHESSE ensures investors' transactions are settled in two days (T+2).

9.5 ASX conditions of admission

As part of the Fund's conditions of admission to trading status on the ASX market, the Responsible Entity has agreed to:

- disclosed the Fund's portfolio holdings on a quarterly basis within two months of the end of each calendar quarter;
- make available annual financial reports, distribution information and other required disclosures on the ASX Market Announcements Platform;
- provide the iNAV as described in the PDS;
- provide a daily proxy basket of securities (MPI) as a proxy for the portfolio holdings at the start of each Trading Day; and
- provide the tracking performance between the disclosed MPI and the Fund's portfolio holdings on a quarterly basis.

9.6 ASIC relief

The Responsible Entity relies on:

- Ongoing disclosure relief – ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts it from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund was an unlisted disclosing entity.
- Periodic Statements – ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14 grants the Responsible Entity relief under sections 1020F(1)(a) and 1020F(1)(c) of the Corporations Act so that where a unitholder has acquired or disposed of Units during the period and the Responsible Entity does not know the price at which the Units were transferred, periodic statements are not required to disclose amounts paid in relation to a transfer of the Units or the return on investment of the transfer during the reporting period, provided that the Responsible Entity is not able to calculate the return on investment and the periodic statement explains why this information was not included and describes how it can be obtained or calculated.

The periodic statement will itemise transactions by disclosing:

- the date of transfer;
- whether the unitholder acquired or disposed of Units and the number of Units transferred; and
- explanations as to why prices of units for transfers and the total dollar value of transfers have not been included. The periodic statement will also include performance information of the Fund relative to its investment objective.

9.7 Privacy

We collect personal information from you in the Application Form and any other relevant forms, in order to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. In some circumstances we may disclose your personal information to the Responsible Entity's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;

- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (“APP”), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint;
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available at www.lanyon.com.au/RE or you can obtain a copy free of charge by contacting the Responsible Entity.

Information regarding our collection, use and disclosure of personal information is set out in the Application Form.

If you are investing indirectly through a platform, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your platform operator for more information about their privacy policy.

9.8 Anti-Money Laundering and Counter-terrorism financing (AML ACT)

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (“AML Act”) and other applicable anti-money laundering and counter terrorism laws, regulation, rules and policies which apply to the Responsible Entity (“AML Requirements”) regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (“AUSTRAC”). In order to comply with the AML Requirements, The Responsible Entity is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

The Responsible Entity and any agent acting on our behalf reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, The Responsible Entity may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Responsible Entity nor its agents shall be liable to you for any loss suffered by you because of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Responsible Entity has implemented several measures and controls to ensure we comply with our obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where the Responsible Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Responsible Entity or our agents are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as

contemplated above, or because of the Responsible Entity’s compliance with the AML Requirements as they apply to the Fund; and

- the Responsible Entity or any agents acting on our behalf may from time to time require additional information from you to assist it in this process.

The Responsible Entity has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, the Responsible Entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither the Responsible Entity nor our agents are liable for any loss you may suffer because of the Responsible Entity’s compliance with AML Requirements.

9.9 US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the Responsible Entity will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

9.10 Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report information to the ATO

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a ‘Financial Institution’ under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For the Fund to comply with their obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the “CRS Competent Authority Agreement”, the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

9.11 Enquiries and complaints

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity and/or the Investment Manager during business hours using the contact details provided in the PDS. We will endeavour to resolve your complaint fairly and as quickly as we can. We will respond to your complaint within the maximum response timeframe of 30 days. If we are unable to respond within the maximum response time because we have not had a reasonable opportunity to do so, we will write to you to let you know of the delay.

All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via a platform) can access the Responsible Entity's complaints procedures outlined above. However, if you are investing via a platform and your complaint concerns the operation of the platform, then you should contact the platform operator directly. If an investor is not satisfied with the final complaint outcome proposed, any aspect of the complaints handling process or a delay in responding by the maximum response time, the Australian Financial Complaints Authority (AFCA) may be able to assist. AFCA operates the external complaints resolution scheme of which the Responsible Entity is a member. If you seek assistance from AFCA, their services are provided at no cost to you.

You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Email: info@afca.org.au
Website: www.afca.org.au

TMD means the target market determination applicable to an investment in the Units.

Trading Day means the day and time during which financial products are traded on the Securities Exchange.

Unit Registry means Automatic Pty Ltd (ACN 152 260 814) trading as Automatic Group.

Units means the interests in the Fund being offered under this PDS.

10. GLOSSARY

Administrator means William Buck Managed Funds Administration (SA) Pty Ltd (ABN 96 643 372 230).

AFSL means Australian financial services licence.

ASIC means Australian Securities and Investments Commission.

ASX means Australian Securities Exchange.

Benchmark means the combined benchmark consisting of 75% of the S&P/ ASX 300 Accumulation Index and 25% of the MSCI All Country World Index net total returns AUD index.

CHES means the Clearing House Electronic Sub-register System, being the Australian settlement system for equities and other financial products traded on the ASX.

Constitution means the constitution of the Fund dated 7 September 2023 as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Custodian means Citigroup Pty Ltd (ABN 88 004 325 080).

Fund means Lanyon Investment Fund Active ETF (ARSN 670 944 242).

INAV means the indicative NAV per Unit that will be published on the Fund's website throughout the Trading Day to take into account movements in the underlying assets of the Fund.

Investment Manager means Lanyon Asset Management Pty Ltd (ABN 45 140 631 714, AFSL 342955).

MPI means material portfolio information, being a daily basket of proxy securities selected to track the movements of the underlying assets of the Fund.

NAV means the net asset value of the Fund calculated in accordance with the Constitution.

Offer means the offer of Units in accordance with this PDS.

PDS means this product disclosure statement dated 14 June 2024 issued by the Responsible Entity.

Responsible Entity means Lanyon RE Services Limited (ABN 59 661 585 815, AFSL 544723) as responsible entity of the Fund.

Securities Exchange means the market operated by the ASX.

Securities Exchange Operator means the ASX.

Securities Exchange Rules means the rules that apply to the quotation of financial products such as the Units on the Securities Exchange.