

H3 Global Strategies Fund AU

ARSN 140 449 609

Product Disclosure Statement



PRODUCT DISCLOSURE STATEMENT

Dated 23 November 2009

Issued by Ascalon Capital Managers Limited
ACN 093 660 523
AFSL 300697

www.ascalon.com.au

IMPORTANT NOTICE

This Product Disclosure Statement (PDS) dated 23 November 2009 provides details of the "H3 Global Strategies Fund AU" ARSN 140 449 690, referred to as the 'Fund'.

This PDS is issued by Ascalon Capital Managers Limited ACN 093 660 523 AFSL 300697, the responsible entity of the Fund.

References in this PDS to 'we', 'us', 'our', 'the 'Responsible Entity' and 'Ascalon' are to Ascalon Capital Managers Limited, the responsible entity of the Fund. References to 'you' or 'your' are to investors (and, when the context requires, prospective investors) in the Fund.

This PDS is not a registered prospectus or investment statement under New Zealand law and does not constitute an offer of securities to the public for the purposes of the New Zealand Securities Act 1978. This PDS is not required to be, and has not been, lodged with the New Zealand Companies Office under the New Zealand Securities Act 1978.

This PDS is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in the units described in it, and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors so receiving it).

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (IDPS). Indirect investors investing through an IDPS may rely on the information contained in this PDS in instructing IDPS operators to invest in the Fund on their behalf. The Responsible Entity however, accepts no responsibility where the IDPS operator does not provide indirect investors investing through an IDPS with a current version of this PDS or any supplementary or replacement PDS. Indirect investors investing through an IDPS do not acquire the rights of a unit holder in the Fund. The rights of indirect investors are set out in the IDPS Guide or other offer document for the relevant IDPS. This PDS may not contain all the information that a prospective investor may expect or require in order to make an informed decision as to whether to subscribe for units in a Fund.

The information in this PDS is general information only. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective investors should rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest. None of Ascalon, the Investment Manager or their related entities, shareholders, directors or officers guarantee the performance of the Fund, the return of an investor's capital or any specific rate of return. This PDS is not a recommendation to invest.

No person is authorised to give any information or to make any representation in connection with the investment opportunities described in this PDS, which are not contained in this PDS. Any information or representation not so contained may not be relied upon as having been authorised in connection with this investment.

This PDS should be read in conjunction with the Constitution of the Fund, which is available from us. This PDS can only be used by investors receiving it (electronically or otherwise) in Australia or New Zealand. Applications from outside Australia or New Zealand will not be accepted.

General information in this PDS is subject to change. Certain information that is not materially adverse may be updated without issuing a supplementary PDS. Such updated information may be obtained from Ascalon's website at www.ascalon.com.au. A paper copy of any updated information will be provided on request free of charge.

In this PDS, all references to monetary amounts are in Australian dollars, unless otherwise specified.

This offer to apply for units contained in this PDS may only be distributed in New Zealand to selected wholesale investors whose business is the investment of money or persons who, in the course of and for the purpose of their business, habitually invest money (NZ Eligible Investors). Units issued pursuant to this offer are issued on the terms and conditions contained in the Constitution of the Fund in which units are offered and this PDS.

The Responsible Entity is bound by the terms and conditions of its Privacy Policy. Details of the Privacy Policy can be found in the "Additional Important Information" section of this PDS.

Apart from Ascalon in its capacity as Responsible Entity, neither Westpac Banking Corporation, nor any other member of the Westpac Group, has any liability at all in connection with the Funds, or any statement or information contained in this PDS.

IMPORTANT CONTACTS

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THE FUND AT A GLANCE

Investment Objective	The principal investment objective of the Fund is to generate consistent and above average returns over a medium to long-term time horizon by investing in the Underlying H3 Fund (the H3 Global Strategies Fund). The Underlying H3 Fund uses systematic trading models. These models are applied to over 100 markets globally and are traded within predefined portfolio and risk management parameters. The Underlying H3 Fund may have exposure to stock indices, currencies, bonds, interest rates, energies, metals and other commodities and other markets through the use of futures contracts, options, forward contracts and global exchanges.
Benchmark	Barclays CTA Index.
Minimum Investment	\$50,000.
Minimum Additional Investment	\$10,000.
Establishment fee	Nil.
Management fee	1.80% per annum of the net asset value of the Fund, calculated and accrued daily and paid monthly in arrears. ¹
Transactions Costs	+/- 0.10% on applications/ withdrawals. ¹
Withdrawal fee	Nil
Applications	Applications can be made by completing the Application form attached to this PDS.
Additional Investments	Additional deposits can be made at any time.
Withdrawals	You can request a withdrawal at any time.
Minimum Withdrawal	\$10,000 – subject to the minimum investment amount being maintained.

¹ Other fees and expenses are payable from the H3 Global Strategies Fund, the underlying fund in which the Fund invests in. Please see pages 9 to 11 for more information.

The above table is a general summary of certain key features only and investor should read the PDS in full.

ABOUT H3 GLOBAL ADVISORS

H3 Global Advisors Pty Limited (H3 or Investment Manager) is the Investment Manager of the H3 Global Strategies Fund (Underlying H3 Fund). H3, an Australian company formed in 1996 and based in Sydney, specialises in the application of quantitative investment strategies.

The principals of H3 have over 50 years combined investment experience in the areas of funds management, institutional dealing, fixed income and currency trading and complex derivatives strategies. H3's products have been positively rated by a number of Australian and global ratings agencies. These reviews can be provided upon request.

H3 is partially owned by Ascalon Capital Managers Limited.

H3 holds an Australian financial services licence (AFSL 233811) and is a member of the Australian Chapter of the Alternative Investment Management Association (AIMA).

ABOUT THE UNDERLYING FUND

INVESTMENT OBJECTIVE

The Fund will invest through an underlying fund, the H3 Global Strategies Fund (Underlying H3 Fund), a Cayman Islands exempted company. The Fund will invest in Class D Shares (being the Australian dollar denominated share class) of the Underlying H3 Fund.

The principal investment objective of the Fund (via its investment in the Underlying H3 Fund) is to generate consistent returns in both rising and falling market environments over a medium to long-term time horizon.

The Underlying H3 Fund actively manages and provides exposure to all major asset classes globally on a long and short basis.

The Global Strategies program, which is the program investors are gaining exposure to, has been offered to professional and institutional investors since 1999. The prior performance can be provided by H3 upon request. (Investors should note that past performance is not necessarily an indicator of the Fund's future performance.)

WHAT DOES THE UNDERLYING FUND INVEST IN?

The Global Strategies program trades across a portfolio of over 100 global markets, and can have exposure at any one time including, but not limited to the following regions/markets;

Stock indices	
• Australia	• Europe
• Asia (incl. Japan)	• North America (US & Canada)
Currencies	
• Australian dollar	• Euro
• British Pound	• Japanese Yen
Bonds	
• Australian Bonds	• German Bunds
• Japanese Government Bonds	• US Treasury 10 Year Bonds
Interest rates	
• Australia	• UK, Europe
• Japan	• US, Canada
Energies	
• Crude Oil	• Natural Gas
Metals	
• Gold	• Copper
Other Commodities	
• Corn	• Coffee
• Wheat	• Live Cattle

The Underlying H3 Fund gains exposure to the markets outlined above through the use of futures contracts, which are defined as exchange traded futures, options and forward contracts traded on global exchanges. Examples of some of these exchanges include (but are not restricted to):

• ASX (Australia)	• Eurex (Europe)
• SGX (Singapore)	• Liffe (UK/Europe)
• TSE (Japan)	• Globex (United States)

INVESTMENT PHILOSOPHY

The Investment Manager believes that global markets can be categorised as either normal or dislocated, and both of these market environments present opportunities which can be profited from. The Investment Manager also believes that the best way to take advantage of these markets is via the consistent application of an unemotional, rules-based approach that is applied across multiple markets and time horizons.

The Investment Manager utilises a risk-based approach to managing funds. In essence, whilst market prices and activity can not be predicted, it is the Investment Manager's opinion that a sensible and robust risk management model can provide more predictable risk-adjusted returns over a medium term time horizon and reduce the risk of severe losses being incurred by an investor.

Trading Environments

As stated above the Investment Manager defines markets as either normal or dislocated. The Investment Manager utilises a series of quantitative algorithms to take advantage of each of these environments. A summary is as follows:

Trending/normal markets: The use of models that take positions for periods between one day and twelve months. These positions are monitored on a daily basis and adjusted according to the latest market movements. These positions are the core portfolio holdings that provide the majority of returns.

Volatile/abnormal markets: The use of various filters and inputs that determine when markets are in a state of disequilibrium. These include periods of extreme short-term volatility that arise as a result of unexpected economic, political or environmental factors. These environments are often short-term in nature, and whilst a longer term position may be impacted adversely by this type of market, the manager takes positions to take advantage of these conditions.

ONGOING RESEARCH AND DEVELOPMENT

H3 has developed a trading program that targets returns uncorrelated with those of traditional asset classes while minimising and controlling risk by:

Diversification across global markets

The models maximise opportunities for profit by taking positions in, and spreading risk over more than 100 global markets. The Investment Manager uses thoroughly researched and tested quantitative models that have been applied to more than 20 years of historical data and applied on behalf of proprietary and client capital since 1996.

Ongoing research and testing

H3 is essentially an information, data and research-based organisation, and as such the Investment Manager is constantly monitoring the integrity of data and trading algorithms. The algorithms undertake frequent verification of the integrity and consistency of outputs in terms of trading performance relative to what the models are generating in an artificial environment.

Diversification of trading programs

Diversifying investment strategies through the use of trading programs which have been designed to capture short, medium and long term trends in the global markets.

Rigorous risk management

Monitoring the exposure of each market and the total investment portfolio on an ongoing basis to ensure predetermined levels of risk are maintained as volatility changes in the underlying markets. Risk is managed on a daily basis to ensure pre-defined constraints are being adhered to.

Disciplined investment approach

The exposure is actively managed on a daily basis and computerised risk management models are used to ensure the portfolio invests within clearly defined risk and exposure parameters on a market, sector and total portfolio basis.

HOW THE FUND WORKS

The Fund is a registered managed investment scheme under the Corporation Act 2001. This means that investors' funds are pooled and managed in accordance with a set objective and strategy. An investor acquires an interest in the Fund in the form of units. When you invest in the Fund, you will be issued with units. Each unit entitles the unit holder to a proportionate beneficial interest in the Fund's portfolio of assets. The Constitution of the Fund allows for more than one class of units to be offered to investors. Where this is the case, the rights of investors in different classes of units may vary between classes.

A unit does not give you any interest in any underlying asset in the Fund.

Investing in a managed investment scheme can offer a number of benefits to you. These benefits include:

- increased purchasing power - the sheer size of a managed investment scheme means it can potentially buy and sell assets at a cheaper cost than an individual investing directly;

- investment opportunities - managed investment schemes give you the opportunity to access a range of international assets that you could not normally access as an individual investor; and
- professional investment management - your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the fund.

The number of units you will receive is dependent on the amount of money invested and the 'unit price' at the date of application.

Investors should of course weigh up the potential benefits against the risks of investing (see the following section titled Risk and Return).

RISK AND RETURN

All investments carry some level of risk. In investment terms, risk is the variability in short term returns and the potential to lose your capital. There is also a risk that an investment manager may not perform according to expectations.

Investment risk means it is not possible to predict the investment returns that an investment will achieve. Investment returns are not guaranteed and past performance is not an indicator of future performance.

Generally, the higher an investment's expected return, the higher the expected risk. Traditionally, listed shares have generally been considered to be more volatile, that is will experience greater fluctuations in value, than property, while property has generally been more volatile than fixed interest and cash. However, higher risk asset sectors such as shares and property securities have historically produced higher long term returns than fixed interest and cash.

ASSET SECTOR RISK

If you choose to invest in the Fund described in this PDS you will be invested in one or more asset sectors. There are also specific risks and benefits associated with investments in each asset sector.

HOW TO REDUCE INVESTMENT RISK

There are two main ways in which you can reduce investment risk:

1. Investing for an appropriate length of time

The longer you hold an investment in a growth asset such as shares, the greater the chance of riding out short term market fluctuations.

2. Diversification

By investing across a variety of asset sectors and using investment managers with different investment styles, you can reduce risk.

CHOOSING THE RIGHT FUND FOR YOUR RISK LEVEL

Each investor's risk tolerance is different. In choosing an investment, the factors you should consider include:

- your investment goals;
- your expectations for returns;
- the length of time you can hold your investment;
- how comfortable you are with fluctuations in the value of your investment.

It is recommended you obtain independent professional financial advice before investing in the Fund.

SIGNIFICANT RISKS OF INVESTING IN THE FUND

IMPORTANT NOTE

The significant risks of the Fund discussed below do not purport to be a complete explanation of all the risks of investing in this Fund. Your investment in the Fund is not guaranteed. The value of your investment will rise and fall in line with the changing value of the underlying investments. Each investor has their own particular investment objectives, financial situation and particular needs. You should consult with your financial and taxation adviser before investing and from time to time, to ensure your investment is, and remains, appropriate to your needs. References to the risks of investing in the Fund include a reference to the risks of investing into the Underlying H3 Fund, as the context may require.

There are a number of significant risks you should consider prior to investing in the Fund:

Market Risks - The value of your investment may be affected by factors such as financial market volatility, economic cycles, political events, legislation, tax, interest rates and individual company factors. Different factors may affect the prices of individual positions or particular asset classes or futures positions at different times.

Significant risks are involved in the trading activities generally undertaken by the Investment Manager. Increasing competition may limit the Investment Manager's ability to take advantage of trading opportunities in rapidly changing markets. No assurance can be given that the Fund or the Underlying H3 Fund will realise a profit or that it will not lose some or all of its equity. In addition, the Underlying H3 Fund may be subject to margin calls in the event that the assets on deposit in its trading account are insufficient to satisfy margin requirements. Because of the nature of trading activities, the results of these activities may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of future results.

Trading is Speculative and Volatile - Trading conditions in the markets in which the Underlying H3 Fund trades may be highly volatile. Price movements for these markets are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. These markets will be traded on a purely speculative basis. No assurance can be given that such speculative trading will result in profitable trades or that this trading will not incur substantial losses.

Leverage - When deemed appropriate by the Investment Manager and subject to applicable regulations, the Underlying H3 Fund may use leverage in its investment program. The amount of leverage varies and may at times be substantial. To the extent the Underlying H3 Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Underlying H3 Fund's use of leverage would result in a lower rate of return than if it was not leveraged.

Margin Deposits - A margin deposit is similar to a cash performance bond. It helps assure the trader's performance of the contract. If the market value of a particular position moves to such a degree that the initial margin deposit is not sufficient to satisfy minimum maintenance requirements, the broker will make a call for additional margin money. The margin call must be satisfied within a reasonable period of time or the broker is required to liquidate the open position. In periods of high volatility, brokerage firms may elect to increase the amount of margin they require to carry positions for their clients.

Short Selling - The Underlying H3 Fund's investment program may include short selling. Such investments can be extremely volatile and substantially increase the impact of adverse price movements on the sale of shares. There can be no assurance that the strategy adopted for investing will be profitable or that a unit holder will not lose some or all of its investment.

Liquidity of the Fund's Investments - Many exchanges limit price fluctuations in certain financial instruments during a single day by imposing what are known as "daily price fluctuation limits" or "daily limits." The existence of "daily price limits" or "daily limits" may reduce liquidity or effectively curtail trading in particular markets. Once the price of a particular instrument has increased or decreased by the daily limit, positions in the instrument can effectively neither be taken nor liquidated.

Prices in various instruments have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Investment Manager from promptly liquidating unfavourable positions and subject the Underlying H3 Fund (and indirectly, the Fund) to substantial losses that could exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if prices have not moved the daily limit, the Investment Manager may not be able to execute trades at favourable prices if there is only light trading in the instruments involved.

As part of its emergency powers, an exchange may suspend or limit trading in a particular instrument, order immediate liquidation and settlement of a particular instrument, or order that trading in a particular instrument be conducted for liquidation only. The possibility also exists that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies.

Nature of Investments - The Fund's investments involve a high degree of financial risk. Markets in which the Fund is anticipated to invest (via the Underlying H3 Fund) are subject to a high degree of volatility. There can be no assurance that the Fund's investment objectives will be realised or that unit holders in the Fund will receive any return on their investment. Other than as specified herein, there are no limitations on the types of investments the Underlying H3 Fund may make. The Investment Manager in its sole discretion may employ such investment and trading strategies and methods as it determines to adopt. The Underlying H3 Fund may also invest in securities for which no active trading market exists and the value of any such securities shall be determined by the Investment Manager and the Underlying H3 Fund's Administrator. As a result of these investment risks, an investor may lose all of its investment in the Fund.

Manager Risk - Although the Responsible Entity has the ultimate authority for the management of the Fund, all the decisions relating to the investment of the Fund's assets will be made by the Investment Manager (via the Underlying H3 Fund).

The Underlying H3 Fund's trading is largely dependent on the continuation of an agreement with the Investment Manager and the services and skills of its officers and employees. The loss of the Investment Manager's services (or that of one or more of its key personnel) could materially and negatively impact the value of the Fund as it may lead to the loss of the use of any proprietary investment methodology developed by the Investment Manager. Holders of shares in the Underlying H3 Fund (such as the Fund) will have no right or power to take part in the management of the Underlying H3 Fund. Similarly, unit holders in the Fund will have no right or power to take part in the management of the Fund.

The Investment Manager may fail to meet the Underlying H3 Fund's (and the Fund's) objective such as not producing returns that compare favourably against a benchmark index. Factors can include the loss of key staff and poor performance of the quantitative model.

Effect of Redemptions - If significant redemptions of units in the Fund are requested, it may not be possible to liquidate the Fund's underlying investments at the time such withdrawals are requested or may be able to do so only at prices which the Responsible Entity believes do not reflect the true value of such investments, resulting in an adverse effect on the return to the investors. In addition, although it is expected on termination of the Underlying H3 Fund to liquidate all of the Fund's underlying investments and distribute only cash to the unit holders in the Fund, there can be no assurance that this objective will be attained.

Performance Fee - The Performance Fee payable by the Underlying H3 Fund to the Investment Manager may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of the Performance Fee.

Prospective investors should note that the Management Fee and Performance Fee payable to the Investment Manager are based in part upon unrealised gains (as well as unrealised losses), and that such unrealised gains and losses may never be realised by the Underlying H3 Fund. The Performance Fee, if paid, could result in the payment of fees to the Investment Manager that are greater than fees payable to other investment managers of comparable funds and trading or investment advisors.

Default Risk - A default by a counterparty or issuer could have an adverse effect on the Underlying H3 Fund. Many of the markets in which the Underlying H3 Fund will effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Underlying H3 Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Underlying H3 Fund to suffer a loss.

In addition, in the case of a default, the Underlying H3 Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

The Underlying H3 Fund is not restricted from dealing with any particular counterparty. Moreover, the Underlying H3 Fund does not have an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Underlying H3 Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Underlying H3 Fund and the Fund.

Absence of Secondary Market - There is currently no public market for the shares of the Underlying H3 Fund and it is unlikely that; and the Directors of the Underlying H3 Fund do not believe that, any active secondary market for any of the shares in the Underlying H3 Fund will develop. The shares are not being registered to permit a public offering under the securities laws of any jurisdiction. The Fund might be able to dispose of its shares in the Underlying H3 Fund only by means of redemptions on the relevant Dealing Day at the Redemption Price, in the absence of an active secondary market.

In such circumstances, the risk of any decline in the net asset value in the Underlying H3 Fund during the period from the date of notice of redemption until the Dealing Day will be borne by the Fund. In addition, the Directors of the Underlying H3 Fund have the power to suspend and compel redemptions.

Operating Deficits - The expenses of operating the Underlying H3 Fund (including the fees payable to the Investment Manager, the Administrator, the Prime Broker and other service providers) may exceed the Underlying H3 Fund's income, thereby requiring that the difference be paid out of the Underlying H3 Fund's capital, reducing the value of the Underlying H3 Fund's investments and potential for profitability.

Calculation of Net Asset Value - There is no assurance that the determination of the net asset value of the Fund or the Underlying H3 Fund reflects the actual sales prices of the securities held by the Underlying H3 Fund, even when such sales occur very shortly after the Valuation Date. If sales of investments result in fewer proceeds than estimated, the Fund may see the net asset value of the Fund reduced.

No Operating History - The Fund has no financial operating history.

Risk of Government Intervention - The prices of instruments in which the Underlying H3 Fund may trade or invest are subject to certain risks arising from government regulation of or intervention in the relevant capital markets, through regulation of their local markets, restrictions on investments by foreigners or limits on flows of investment funds or risk of government expropriation of the assets of the companies in which the Underlying H3 Fund holds interests. There is also a risk of regulatory and taxation related changes. Such regulation or intervention could adversely affect the Underlying H3 Fund's performance.

Dividends and Distributions - Dividends may be distributed by the Underlying H3 Fund to its shareholders (including the Fund) in any form permissible under Cayman Islands law. Notwithstanding the foregoing, the Underlying H3 Fund does not anticipate that any dividends or other distributions (other than proceeds of redemptions) shall be paid to its shareholders out of current earnings and profits, but rather that such income will be reinvested in the Underlying H3 Fund.

Currency Risk - Units in the Fund are denominated in Australian Dollars, and shares in the Underlying H3 Fund will be issued and redeemed in Australian dollars. However, investments in which the Underlying H3 Fund invests may be denominated in US dollars or other currencies. Fluctuations in the exchange between the Australian Dollar and the other currencies may cause the value of the Fund's investments to decline.

No Guarantee - There is no guarantee that implementation of the investment objective or strategy with respect to the assets of the Fund or Underlying H3 Fund will not result in losses to unit holders in the Fund.

Fund's Right to Redeem - Under its Articles of Association and this Memorandum, the Underlying H3 Fund has the right in certain circumstances to effect a compulsory redemption of shares in the Underlying H3 Fund at net asset value, less such redemption fees as the Directors of the Underlying H3 Fund deem appropriate to cover any costs incurred in effecting such redemption. Shares may not be compulsorily redeemed except where the holding of such shares results in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Underlying H3 Fund or its shareholders as a whole, or to maintain a specified minimum investment per shareholder.

Concentration Risk - The Investment Manager has the discretion to change the level of exposure to certain sectors or markets. This may result in the fund having no exposure to a particular instrument or sector, and/or more concentrated exposure to other instruments or sectors.

Exposure to Cash and Cash Equivalents - The Investment Manager may seek to invest in cash or cash equivalents in accordance with its investment strategy. There are no limits on the extent to which the Investment Manager may invest in cash or cash equivalents. In certain circumstances, this may result in the Underlying H3 Fund and the Fund having significant exposure to cash or cash equivalents, such as money market instruments, fixed interest term deposits and similar investments, rather than other investments.

Interest Rate Risk - Changes in interest rates may adversely affect the value of cash equivalents held by the Underlying H3 Fund. An increase in interest rates leads to a reduction in the value of a cash equivalent and vice-versa. The risk is usually greater for cash equivalents that have longer dated maturities.

Underlying H3 Fund Risk - The Fund will purchase shares in the Underlying H3 Fund. There is a risk that the Underlying H3 Fund could terminate and that the fees and expenses payable by the Underlying H3 Fund could change. The Underlying H3 Fund may also compulsorily redeem the Fund's investment in the Underlying H3 Fund.

The liquidity of the Fund is directly linked to the liquidity of the Underlying H3 Fund. In other words, the payment from redemptions of units in the Fund will not be made to investors until the Fund receives payment from redemptions in the Underlying H3 Fund. There may be delays if the Underlying H3 Fund defers/reduces or suspends the Fund's redemption.

FEES AND OTHER COSTS

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

The following table shows the 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 Fund's assets as a whole.

Taxes are set out in another part of this document.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	No fee is charged.
Contribution fee The fee on each amount contributed to your investment	Nil ³	No fee is charged.
Withdrawal fee The fee on each amount you take out of your investment	Nil	No fee is charged.
Termination fee The fee to close your investment	Nil	No fee is charged.
Management Costs		
Management fee and recoverable expenses The fees and costs for managing your investment	Management fee: The Underlying H3 Fund will pay the Investment Manager a management fee of 1.80% p.a. ¹ of the net asset value of the Fund's shareholding in the Underlying H3 Fund.	The management fee payable to the Investment Manager is calculated and accrued daily and paid monthly in arrears from the Underlying H3 Fund. The Responsible Entity is entitled to a responsible entity fee of 0.10% p.a. of the net asset value of the Fund's shareholding in the Underlying H3 Fund, which is payable by the Investment Manager from its management fee paid out of the Underlying H3 Fund (and is not an additional cost to investors).
	Performance fee: The Underlying H3 Fund may also pay a performance fee. ²	If applicable, the performance fee payable to the Investment Manager is calculated in respect of each quarter and accrued in the Underlying H3 Fund's share price and as such is not paid directly by investors in the Fund.
Service fees		
Investment switching fee The fee for changing investment options	Nil	No fee is charged.

¹ Please refer to the explanation of 'Management Costs' and 'Expenses' in the 'Additional Explanation of Fees and Costs' section below. This fee may in some cases be negotiated with direct investors. For more information, please refer to the explanation of 'Differential Fees' in the 'Additional Explanation of Fees and Costs' section below.

² See 'Performance fees' in the 'Additional Explanation of Fees and Costs' section below.

³ A buy/sell spread will generally apply (see 'Transaction Costs and Buy/Sell Spread' in the 'Additional Explanation of Fees and Costs' section below).

EXAMPLE OF ANNUAL FEES AND COSTS FOR THE FUND

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

Example		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fees	Nil.	For every additional \$5,000 you put in, you will be charged nil.
PLUS Management Costs	1.80% pa	And , for every \$50,000 you have in the Fund you will be charged \$900.00 each year.
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 of: \$900.00 * What it costs you will depend on the fees you negotiate with the Fund or financial adviser.

* Additional fees may apply. Please refer to the following explanation of 'Transaction Costs and Buy/Sell Spread'. The example does not take into account certain costs of the Underlying H3 Fund such as a performance fee (if applicable) in the particular year. For illustrative purposes, the above example assumes that management costs were calculated on a balance of \$50,000. It does not take account of management costs that would be charged on the additional \$5,000 contributed during the year (as this will depend on when the additional \$5,000 is contributed).

ADDITIONAL EXPLANATION OF FEES AND COSTS

MANAGEMENT FEE OF UNDERLYING H3 FUND

A management fee of 1.80% per annum of the net asset value of the Fund's shareholding in the Underlying H3 Fund is payable to the Investment Manager ("Management Fee"). The Fund intends to hold Class D Shares in the Underlying H3 Fund, being shares denominated in Australian dollars. The Management Fee is calculated as at each Valuation Day (being the close of business in the market or markets relevant for the valuation of assets and liabilities of the Underlying H3 Fund as of each Business Day of each month or such other days as determined by the Directors of the Underlying H3 Fund when the net asset value is calculated) and is payable monthly in arrears. In the event the Investment Manager is not acting as investment manager for an entire month, the Management Fee for such month will be pro-rated. The Management Fee will be adjusted for subscriptions, redemptions and exchanges during the month. You will not be charged directly for the Management Fee as this will be paid out of the Underlying H3 Fund and reflected in the value of the shares held by the Fund in the Underlying H3 Fund.

The Responsible Entity is entitled to a responsible entity fee of 0.10% of the net asset value of the Fund's shareholding in the Underlying H3 Fund ("Responsible Entity Fee") from the Investment Manager (payable out of, and at the same time as, the Management Fee paid to the Investment Manager from the Underlying H3 Fund).

PERFORMANCE FEE of the Underlying H3 Fund

The Underlying H3 Fund incorporates a performance fee (the "Performance Fee") payable to the Investment Manager. The Performance Fee is calculated in respect of each calendar quarter (a "Calculation Period").

For each Calculation Period, the Performance Fee in respect of each share in the Underlying H3 Fund ("Share") will be equal to twenty percent (20%) of the appreciation in the Net Asset Value per Share during that Calculation Period above the Net Asset Value per Share at the time of issue of that Share or, if issued in a previous Calculation Period, above the highest Net Asset Value per Share achieved as of the end of any previous Calculation Period following such date of issue.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction of any accrued Performance Fees.

The Performance Fee is calculated on a Share-by-Share basis so that each Share is charged a Performance Fee that equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares that have appreciated in value, (ii) all holders of Shares of the same Class have the same amount per Share at risk, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

The Performance Fee is normally payable in arrears within 30 days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares is payable within 30 days of the date of redemption.

The Performance Fee may not always be payable. If the requirements for the Performance Fee are met, the Performance Fee will be paid to the Investment Manager from the Underlying H3 Fund.

The Performance Fee is reflected in the value of the Fund's investment in the Underlying H3 Fund and will affect the return on investment in the Underlying H3 Fund. The Performance Fee is paid directly out of the Underlying H3 Fund and you will not be charged directly.

If the Investment Management Agreement is terminated as of a date other than the last day of a calendar quarter, then the Performance Fee due to the Investment Manager will be calculated on the basis of the Underlying H3 Fund's performance over the period from the last Performance Fee computation (or the inception of the Fund, as the case may be) through to the termination date and will be payable within 30 days of such date.

<p>Example</p> <p>The following is a simplified example and excludes the effect of cash interest, buy/sell spreads and management fees in order to illustrate aspects of the Performance Fee.</p> <p>Assume that Investor 1 contributes \$10 million into the Underlying H3 Fund at a price of \$1.00, thus receiving 10 million Shares.</p> <p>In the first calendar quarter the Net Asset Value of the Underlying H3 Fund reduces by \$1 million to \$9 million. The Performance Fee is not payable for the first Calculation Period.</p> <p>After the end of the first Calculation Period, Investor 2 contributes \$9 million at 90c per Share (the current Net Asset Value per Share) and receives 10 million Shares.</p> <p>The size of the Underlying H3 Fund is now \$18 million and there are 20 million Shares on issue.</p> <p>In the second calendar quarter, the Net Asset Value of the Underlying H3 Fund increases to \$19.2 million.</p> <p>At the end of the second Calculation Period, the Investment Manager is entitled to a Performance Fee (in respect of Investor 2's Shares only) of:</p>
<p>20% x 10,000,000 x (\$0.96 - \$0.90) = \$120,000 (inclusive of GST, if any)</p>
<p>The Net Asset Value of the Underlying H3 Fund is now \$0.96 per Share. On this basis, Investor 1 would have experienced a fall in Net Asset Value per Share held by it despite the fact that the Investment manager has earned a Performance Fee (in respect of Investor 2's Shares). Conversely, it is possible for an investor to experience positive performance without any Performance Fee accruing to the Investment Manager.</p> <p>This example is illustrative only and the actual performance of the Underlying H3 Fund may differ from that set out in this example.</p> <p>Any Performance Fee payable by the Fund (as a Shareholder in the Underlying H3 Fund) will be borne by the Fund at the Underlying H3 Fund level and investors in the Fund will not be charged directly.</p>

DIFFERENTIAL FEES

The Responsible Entity may from time to time enter into special arrangements regarding differential fees in relation to investments made by investors who are 'wholesale clients' (within the meaning of the Corporations Act 2001), to rebate some of the management fee on a case by case basis. Such negotiations would be subject to compliance with legal requirements and any applicable Australian Securities and Investments Commission relief. Please contact us or your adviser for details of negotiating any fee rebates or waivers.

GST AND TAXATION

Please refer to the 'Taxation' section on page 13 of this PDS.

EXPENSES

The Management Fee covers all fees and expenses incurred in the management and administration of the Fund including but not limited to custodian fees, accounting and audit fees, tax adviser fees and legal fees.

The Underlying H3 Fund bears all expenses incidental to its operations and business. These include all transaction costs relating to investment strategy, brokerage, bank service fees, sales and purchases commissions and charges, exchange fees, prime broker's fees and charges, interest and commitment fees on loans and debit balances, income taxes, withholding taxes, transfer taxes, government charges and duties, legal, accounting, and other expenses.

These expenses are incurred and paid by the Underlying H3 Fund and reflected in the value of Fund's investment in the Underlying H3 Fund. You will not be charged directly.

TRANSACTION COSTS AND BUY/SELL SPREAD

A buy spread is charged when entering the Fund (buying units) and a sell spread is charged when exiting the Fund (selling units) to cover the transaction costs.

Transaction costs are costs related to buying and selling assets such as brokerage, settlement costs and stamp duties. The buy/sell spread is not a fee paid to the Responsible Entity or Investment Manager, but a charge to cover transaction costs. The additional cost to the investor is paid to the Fund.

Currently the Fund charges 0.10% pa for the buy spread and 0.10% pa for the sell spread. These amounts may change if, for example, transaction costs change. The dollar value of these costs based on an application or withdrawal of \$50,000 is \$50 for each individual transaction. Whilst the Underlying H3 Fund does not currently charge a buy/sell spread, the Underlying H3 Fund does incur transaction costs when implementing the Underlying H3 Fund's investment strategy.

A copy of our unit pricing policy, including details of any discretions that we may exercise in various circumstances (including in respect of transaction costs), is available without charge upon request.

FEE INCREASES AND OTHER COSTS

The Constitution of the Fund permits higher fees to be charged as well as other fees which are not currently levied without the consent of investors. You will be given 30 days written notice in advance of any variation of fees and costs charged by the Fund. Indirect investors should consult with their IDPS operator to determine their arrangement for notifying of changes in fees and costs.

The maximum fee entitlement of the Responsible Entity under the Constitution of the Fund is 3% per annum of the net asset value of the Fund; however the current applicable fee structure is as set out in this section.

The Constitution of the Fund allows for a maximum entry fee of 5% of the amount invested and an exit fee of 5% of the proceeds of redemption to be charge, however it is currently not intended to charge the current maximum fee structure permitted under the Constitution. Expense recoveries are also unlimited under the Constitution of the Fund, however the Responsible Entity currently chooses to pay these out of the Responsible Entity Fee.

FEES FOR INDIRECT INVESTORS

For indirect investors accessing the Fund through an IDPS, additional fees and costs may apply. These fees and costs are stated in the offer document provided by the relevant IDPS operator.

ALTERNATIVE REMUNERATION

Ascalon may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by Ascalon and not by the Fund. It is not charged out of the assets of the Fund and is not a separate additional charge to investors.

HOW TO INVEST

The minimum initial investment in the Fund is \$50,000, and the minimum additional investment is \$10,000. We reserve the right to waive the minimum investment amounts in our absolute discretion. We may also accept or reject any application, for any reason, in whole or in part. In such case, the application money or any balance will be returned to you by transfer to your designated account or by mail.

Where the Fund Administrator receives an application request by 12 noon (on a Victorian business day, Melbourne time) and it is accepted for processing, the instruction will be actioned and you will receive the unit price that is determined for that day.

Where the Fund Administrator receives an application request after 12 noon (on a Victorian business day, Melbourne time), it will not be processed until the following Victorian business day.

We reserve the right to cancel the issuance of any unit where cleared funds are not received when due, and to charge the applicant for any losses accruing. We also reserve the right not to process any application when full settlement for the purchase of units has not been made. The Fund receives any interest earned on unallocated application monies.

When your application is accepted, a number of units (in a class of units offered in the Fund) will be allocated to your account in the Fund. The number of units is based on the amount of your investment and the applicable unit price (see "Unit Prices" section).

The value of your investment at any time is calculated by multiplying the number of units you hold in the Fund by the applicable unit price (see below).

INVESTING THROUGH AN IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a unit holder. The offer document for your IDPS should have further details. If you are an indirect investor, generally the relevant scheme operator acquires the rights of a unit holder.

Unit holder rights include the right to attend unit holder meetings, to make withdrawal requests, receive and reinvest distributions, participate in termination proceeds and lodge complaints. Your rights and liabilities will be governed by the terms of the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund.

Indirect investors complete application forms for the IDPS, not the Fund, and receive reports from their operator. Inquiries should be directed to that operator.

Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors. Indirect investors will also incur the fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this PDS does not specifically cater for indirect investors.

ADDITIONAL IMPORTANT INFORMATION

COOLING-OFF PERIOD

Investors can change their mind within a 14-day period of their initial investment. The 14-day period commences on the earlier of either the date you receive confirmation of your investment or the end of the 5th Victorian business day after the day on which Ascalon issues the units to you. The realised market value of the Units will be refunded, less any taxes and reasonable administrative costs.

The proceeds refunded may be less or greater than the amount invested, since units in the Fund are subject to market movement from the time they are acquired.

Cooling-off rights will not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan or represents additional contributions required under an existing agreement.

No cooling-off rights apply in respect of any investment acquired through an IDPS. However, indirect investors should contact their operator and read the operator's offer document for more information on any cooling off rights that may apply in relation to the relevant IDPS.

LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

Whilst the Responsible Entity and Investment Manager intend to conduct their affairs in an ethical and sound manner, the Fund's investment criteria does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising any investment of the Fund.

UNIT PRICES

The unit price for the Fund is generally determined daily (based on market values at the end of that day) by dividing the net value of the assets held in the Fund and allocated to the relevant class by the number of units of the class on issue. Unit prices are generally calculated to 4 decimal places. The unit price reflects changes in the value of underlying investments held in the Fund (therefore may rise and fall), plus investment income, less fees and any taxes that are required to be deducted. Therefore, whilst your unit balance will remain constant unless you transact on your account, unit prices may change daily.

A copy of our unit pricing policy, including details of any discretions that we may exercise in various circumstances (including in respect of transaction costs), is available without charge upon request.

DISTRIBUTIONS

Distributions are payable to investors annually, usually within 60 days after the end of June. This amount may include income such as interest, dividend and / or profits from the sale of the Fund's investments. Any distribution will be reinvested unless the investor has requested otherwise. This reinvestment occurs at the unit price calculated at the end of June each year.

If you wish to change your distribution instructions, the Fund Administrator will need instructions at least 10 Victorian business days before the end of June.

In certain circumstances, the Responsible Entity may choose to allocate undistributed income and any net realised capital gains to withdrawing investors based on a pro rata allocation with reference to the number of units being redeemed. This would only be utilised to ensure a fair and reasonable allocation of any undistributed income and net realised capital gains amongst investors.

WITHDRAWALS

You can request a withdrawal (minimum \$10,000) by forwarding a written request either by mail or fax by 12 noon (on a Victorian business day, Melbourne time), with all parties signing for joint accounts (refer to fax instructions service conditions) and specifying the amount to be withdrawn in either dollars or number of units.

Withdrawals will generally be paid within 20 Victorian business days after receipt of your request at the Administrator's office.

Mail your request to:

Ascalon Capital Managers Limited
C/- RBC Dexia Investor Services Trust
GPO Box 4537
Melbourne VIC 3001

Fax your request to:

Ascalon Capital Managers Limited
C/- RBC Dexia Investor Services Trust
Fax: (02) 8262 5492

Any taxes, duties or other applicable costs will be deducted by the Responsible Entity from the amount paid to you as required or permitted by legislation

If you request withdrawal of a dollar amount, the withdrawal amount is divided by the applicable unit price on the day on which your withdrawal is processed to determine the number of units to be redeemed. If you request a withdrawal which would reduce your investment to less than the minimum initial investment amount, we may withdraw all your units and close your account in the Fund.

Where on any Victorian business day we receive withdrawal requests representing more than 25% (or such other percentage as the Responsible Entity may determine) of the net asset value of a class of the Fund, we can reduce each withdrawal request received in respect of that Victorian business day on a pro rata basis so that only units equal to 25% (or such other percentage as the Responsible Entity may determine) of the net asset value of a class of the Fund are redeemed. The unprocessed withdrawal requests will be carried forward to the next Victorian business day.

Similar provisions apply to the Underlying H3 Fund, if a withdrawal request has been deferred/reduced on a pro rata basis, the Responsible Entity may also defer and reduce the corresponding withdrawal request in the Fund.

SUSPENSION OF APPLICATIONS AND WITHDRAWALS

Under the Fund's Constitution applications and withdrawals may be suspended. This may occur, for example where financial markets are closed or their operation is significantly impacted or where it is otherwise considered to be in the interests of unit holders.

The Fund may also suspend applications and withdrawals when the Underlying H3 Fund suspends applications and withdrawals.

For withdrawals lodged during a suspension period, withdrawal values will be calculated and paid as if the withdrawal was lodged immediately after the end of the suspension.

KEEPING YOU INFORMED

Upon receipt of your initial application you will be sent a letter of confirmation, usually within 10 Victorian business days. Confirmations will also be sent if you add funds, withdraw funds, switch funds, or transfer ownership of funds.

DIRECT INVESTORS

- A monthly account statement showing net asset value per unit.
- A quarterly status report of Fund investments and overall performance.
- Each financial year you will receive a periodic report that contains the following information about your investment:
 - distributions paid and/or reinvested
 - tax free and tax deferred income (if applicable), and
 - foreign tax credits (if applicable).
- If you withdraw some or all of your investment during the financial year, you will receive a statement of taxable gains or losses, after financial year end, for that financial year.
- An annual audited financial report for the Fund will be available on Ascalon's website www.ascalon.com.au by 30 September each year. You can elect to receive a hard copy of the annual financial report by indicating this in the appropriate place on the Application Form.

INDIRECT INVESTORS

The IDPS operator will provide indirect investors with reports on the progress of the Fund.

AUTHORISED AGENT

You may appoint an agent to act on your behalf in relation to your investment in the Fund. Your agent will have the authority to act in exactly the same manner as you, except that your agent cannot:

- request a change in records held of your name, address or other particulars, or
- create and/or alter any other interest in your units (for example, make a withdrawal).

Your agent's authority starts on the day the notice of the authority is received. It continues until the day written advice from you terminating that authority is received.

If you appoint a company as your agent, any director of that company, or any employee authorised by the agent, can act under your agent's authority. Likewise, if you appoint a partnership as your agent, any of the partners can act under that authority.

Ascalon may vary the powers of your agent or cancel their authority at any time.

TAXATION

The information in this section of the PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before making a decision to invest, you should consider your objectives, financial situation and needs, and consult your financial and taxation advisers.

Investing in the Fund could affect your current or future tax and/or social security position. It is recommended you obtain financial and taxation advice before investing in the Fund.

The following information is a general summary only and is not intended to be a definitive statement of all Australian tax implications. Non-residents of Australia should seek advice concerning the tax treatment in their country of residence. This summary is current at the date of the preparation of this PDS.

TAX POSITION OF THE FUND

The Fund is resident in Australia for tax purposes. Generally, the Fund proposes to re-invest any gains realised to purchase further shares in the Underlying H3 Fund. The Fund will allocate the realised gain to its investors in full each financial year and therefore, will not be subject to Australian income tax. Investors may be subject to Australian tax in respect of the portion of gains allocated to them depending on their circumstances.

TAXATION OF AUSTRALIAN RESIDENT INVESTORS

Your share of taxable income of the Fund for each year ended 30 June should be included as assessable income in your tax return for each such year, even if your distribution is reinvested as additional units in the Fund in the next year.

The Australian Government's Controlled Foreign Corporation (CFC) and Foreign Investment Fund (FIF) legislation may impose accruals tax liability on any fund that invests in overseas companies and trusts.

This means that the taxable income of the Fund may include unrealised gains and undistributed income from overseas investments. It is the Investment Manager's intention to manage the portfolio of investments held by the Underlying H3 Fund such that no FIF or CFC accruals liability should apply to your investment in the Fund. However, if this is not able to be achieved, your annual tax statement will show the amount required to be included in your tax return.

Because Investors can move into and out of the Fund at different points in time, there is a risk (in certain cases) that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors. If you dispose of your units (by way of withdrawal or otherwise) you may be subject to tax on any gain arising.

FOREIGN INCOME AND FOREIGN INCOME TAX OFFSETS

Australian residents are required to include in their assessable income their share of any foreign taxes paid by the Fund. Investors will normally be entitled to a tax offset for foreign taxes paid by the Fund.

CAPITAL GAINS TAX

Your assessable income for each year may include net capital gains (i.e. after offsetting capital losses) where you have purchased units in the Fund as an investment. You may be subject to capital gains tax when you withdraw Units.

NON-RESIDENT INVESTORS

Statutory deductions of Australian withholding tax and income tax will be made from distributions of Australian sourced taxable income for non-resident investors. The exact rate of withholding tax depends on the type of income.

Non-residents will not be subject to Australian tax on capital gains arising on withdrawal of Units, provided they hold less than 10% of Units in the Fund. If the non-resident holds 10% or more of the Units in the Fund, Australian capital gains should not be payable as the Fund is not expected to invest (directly or indirectly), principally (more than 50% of its assets) in Australian real property. Non-residents seeking to invest in the Fund should obtain tax advice on their specific circumstances.

GOODS AND SERVICES TAX (GST)

Unless otherwise stated, all fees stated in this PDS are inclusive of GST, net of any input tax credits (including reduced input tax credits) available to the Fund.

No GST is payable on the issue or withdrawal of Units as these are input taxed financial supplies for GST purposes. However, the Fund will generally incur GST in respect of various expenses (such as management fees). The Fund may be entitled to reduced input tax credits equal to 75% of GST paid on certain specified expenses, which effectively reduces the GST payable in respect of those expenses to 2.5%.

QUOTING YOUR TAX FILE NUMBERS

It is not compulsory for an investor to quote their Tax File Number. As required by tax law, the Responsible Entity must withhold an amount of tax from some payments made to unit holders where some or all of the payment is income unless unit holders provide either:

- **a Tax File Number (TFN)**
It is not an offence if you do not provide a TFN, and if you are exempt from providing a TFN, you should write the reason for your exemption on the Application Form, or
- **an Australian Business Number (ABN)**
An investor can only quote its ABN if the investment is made in the course or furtherance of an enterprise carried on by the unit holder.

If you do not quote a TFN / ABN, or a reason for a TFN exemption (such as not having a TFN / ABN because you are not a resident of Australia), the amount of tax which is required to be withheld by law is currently 46.5% (that is the top marginal tax rate plus the Medicare Levy) of the payment.

FUND INFORMATION

THE CONSTITUTION

The Fund is governed by a Constitution, which sets out rules such as:

- the powers, rights and duties of the Responsible Entity (including the right to fees, recovery of expenses and indemnification);
- remuneration of the Responsible Entity;
- a unit holder's rights and obligations;
- liability of unit holders and the Responsible Entity;
- issue and redemption of units;
- withdrawal procedures where the Fund is no longer 'liquid' within the meaning of the Corporations Act 2001 (the procedures described in this PDS apply where the Fund is liquid);
- distributions and distribution reinvestment;
- how the Fund may be terminated; and
- how the Responsible Entity may be removed.

The Constitution may be varied without unit holders' consent if the Responsible Entity reasonably believes that the variation will not adversely affect unit holders' rights. Otherwise unit holders' approval must be obtained in accordance with the Corporations Act. You can view a copy of the Constitution for the Fund at the Responsible Entity's registered office during business hours, or a copy will be provided free of charge on request. For a copy please contact the Ascalon Investor Services team on 1300 303 933.

OTHER IMPORTANT AGREEMENTS

The following contracts have been entered into by the Underlying H3 Fund (other than in the ordinary course of business) or the Investment Manager since incorporation and are, or may be, material:

- An Investment Management Agreement, as amended from time to time, between the Underlying H3 Fund and the Investment Manager pursuant to which the Investment Manager was appointed, subject to the overall supervision of the Directors of the Underlying H3 Fund, to manage the Underlying H3 Fund's investments and affairs, with powers of delegation;
- An Administration Agreement, as amended from time to time, between the Underlying H3 Fund and Kingsway Taiz Fund Administration Pty Limited (Administrator), pursuant to which the Administrator was appointed to act as the administrator, registrar, and transfer agent of the Underlying H3 Fund and to provide certain administrative services to the Underlying H3 Fund.
- A Prime Brokerage Agreement, as amended from time to time, and other ancillary agreements between the Underlying H3 Fund and each of Credit Suisse Securities (Europe) Limited, UBS AG, London branch and Goldman Sachs International (the Prime Broker) pursuant to which the Prime Broker was appointed to act as prime broker in relation to the Underlying H3 Fund.

ASCALON'S ROLE

Ascalon is the Responsible Entity of the Fund. As Responsible Entity, Ascalon is responsible for ensuring the Fund complies with the Constitution and the Corporations Act. This responsibility includes the establishment and implementation of the Fund's investment objectives and strategies.

ASCALON'S PROCESS IN ASSESSING THE H3 GLOBAL STRATEGIES FUND

The Fund will implement its investment strategy by investing its assets in the Underlying H3 Fund. Ascalon will continually assess the performance of the Underlying H3 Fund and the Investment Manager. In assessing the Investment Manager, Ascalon focuses on the Investment Manager's potential for success by evaluating the Investment Manager's investment style and process; consistency with which this investment style and process is applied; the proficiency and experience of the investment team and relative past performance.

Ascalon works closely with the Investment Manager in reviewing the performance objectives, corporate governance and risk management standards of the Underlying H3 Fund. Ascalon regularly monitors the Investment Manager and conducts formal reviews on a quarterly basis.

Ascalon reviews the Investment Manager on two levels; to ensure it is performing to investment expectations; and to ensure it is managing the Underlying H3 Fund according to the agreed governance, investment style and process.

MANAGEMENT OF CONFLICTS OF INTEREST

As at the date of this PDS, Ascalon Capital Managers Limited (the Responsible Entity) holds a minority stake in the Investment Manager. As a result, the Responsible Entity may indirectly benefit from any management fees received by the Investment Manager in respect of the Underlying H3 Fund.

RELATIONSHIP WITH CUSTODIAN AND ADMINISTRATOR

RBC Dexia Investor Services Trust (RBC Dexia) has been appointed as the Custodian for the Fund. RBC Dexia's role as Custodian is limited to holding assets of the Fund. RBC Dexia has been appointed as the Administrator of the Fund. In accordance with the relevant agreement between RBC Dexia and Ascalon, RBC Dexia has no supervisory role in relation to the operation of the Fund, and has no liability or responsibility to Unit holders for any acts or omissions.

RBC Dexia was not involved in preparing, nor takes any responsibility for this PDS. RBC Dexia makes no guarantee of the success of the Fund or the repayment of capital or any particular rate of capital or income return.

CHANGES TO THE FUND

The Responsible Entity may, at its discretion add to or close the Fund that is currently offered, change the rules that govern the Fund or alter its investment objectives and strategies. You will be provided with notice of such changes.

Up to date information can be obtained from the Ascalon Investor Services team on 1300 303 933.

Further information about the Fund or investing in the Fund, including a copy of the Constitution and information which has previously been made generally available to the public or might reasonably influence the decision whether to acquire this product, can also be obtained by contacting Ascalon.

The Fund may become a 'disclosing entity' under the Corporations Act 2001. When that occurs, a Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from or inspected at, an ASIC office.

In addition, investors will have the right to obtain a copy of the following documents:

- the annual financial report most recently lodged with ASIC;
- any half yearly financial report lodged with ASIC after the lodgement of the annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after lodgement of the annual financial report and before the date of this PDS.

COMPULSORY REDEMPTION OF UNITS

The Responsible Entity has power under the Constitution to compulsorily redeem (i.e. sell and pay you the proceeds) of your units in the Fund if it, in its discretion, decides to do so. This power may be exercised, for example, where:

- The Responsible Entity suspects that an investor is prohibited by law from being a unit holder; or
- The value of your units in a Fund falls below the minimum investment amount.

Should any of these events occur, the Responsible Entity may redeem your units at the current unit value in accordance with the Constitution. Proceeds will generally be paid within 20 Victorian business days.

CLIENT INFORMATION

YOUR RIGHTS

Your rights as a unit holder in the Fund are governed by the Constitution for the Fund and the Corporations Act 2001. This includes the right to:

- receive distributions (where applicable);
- receive the accounts and other information on the Fund;
- attend and vote at unit holder meetings ;
- receive your share of distributions if the Fund is terminated;
- transfer units to any other person, subject to the Responsible Entity's right to refuse such a transfer;
- pass units to any surviving joint holder by will or otherwise to your estate.

You do not have the right to participate in the management or operation of the Fund. The Constitution contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

COMPLAINTS RESOLUTION

Ascalon has a formal complaints handling procedure in place. The Constitution establishes a procedure for the directors of Ascalon to receive, consider, investigate and respond to complaints made by investors dissatisfied with the management or administration of the Fund.

If you are dissatisfied with the provision of any service related to the Fund, please contact the Ascalon Investor Services team on 1300 303 933. We will acknowledge your complaint in writing within 5 NSW business days and a written response will be provided within 45 days.

Ascalon is a member of the Financial Ombudsman Service (FOS) which is an ASIC approved external dispute resolution scheme (member number 12352). If you are not satisfied with the way Ascalon has handled your complaint you may refer the matter to FOS at:

Mail:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001

Phone: 1300 780 808
Fax: (03) 9613 6399
Web: www.fos.org.au

ADVISER ENQUIRIES

If you have an adviser, they may ask Ascalon to provide them with information about your investment. Ascalon's policy is to supply this information, unless you have issued instructions in writing not to do so. If you change your adviser, please provide your new adviser's details in writing so that your details are updated accordingly.

CONSENTS

Each of the Investment Manager, Administrator, Custodian and Deacons Australia (as Australian legal adviser):

- has made no statement included in this PDS or on which a statement made in this PDS is based, other than the details about it, and the other sentences in this PDS that refer to it;
- has consented to those statements being included in this PDS in the form and context in which they appear and has not withdrawn this consent before the date of this PDS;
- specifically disclaims responsibility for, and liability to any person in the event of, any omission from, or any false or misleading statement included in, any other part of this PDS; and
- has not authorised or caused the issue of any part of this PDS.

PROTECTING YOUR PRIVACY

WHAT IS THIS STATEMENT ABOUT

Your right to privacy is important. This statement explains your privacy rights and Ascalon's rights and obligations in relation to your personal information.

YOUR PRIVACY

The Responsible Entity is committed to ensuring the confidentiality and security of your personal information. The Responsible Entity is bound by the Privacy Act 1988 and by the National Privacy Principles regulated by the Federal Privacy Commissioner as guidance in the responsible handling of personal information and the New Zealand Privacy Act 1993.

If you complete the Application Form, you will be providing personal information to the Responsible Entity and its agents. They will collect, hold and use that personal information in order to assess your Application, service your needs as a unit holder, comply with Legislation, provide facilities and services that you request and to carry out appropriate administration of the Fund. The Responsible Entity may also collect personal information (including sensitive information) about you from third parties, to meet its obligations under the Legislation. Without this information, we may not be able to process your Application or provide you with an appropriate level of service.

Under the Privacy Act and the New Zealand Privacy Act, you may request access to personal information held by the Responsible Entity or the administrator. You can contact the Ascalon Investor Services team for a copy of the relevant entity's privacy policy.

If you notify the Responsible Entity that you have a financial adviser, either on your Application Form or in writing (at a later date), you acknowledge that details of your investment will be provided to them.

If you are investing in the Fund via an IDPS, please be aware that neither the Responsible Entity nor the administrator collects or holds personal information in connection with an investment in the Fund.

YOUR AUTHORITY

By signing the Application Form, you authorise the collection, maintenance, use and disclosure of your personal information in the manner set out in this privacy statement.

By completing the Application Form attached to this PDS on behalf of another person, you undertake to provide a copy of this privacy statement to the principal, company officer or partner that you represent

FAX INSTRUCTIONS SERVICE CONDITIONS

Ascalon offers a fax instruction service that allows you to instruct Ascalon by fax on your account.

By using this service you release and indemnify Ascalon, its officers, employees and agents, against all losses, damages and liabilities arising from any payment made or action taken based on any fax instruction (even if not genuine) that Ascalon receives by fax which contains your account name and a signature which appears to be yours or that of an authorised signatory on your account.

You also agree that neither you nor anyone claiming through you has any claim against, and will indemnify, the Fund, in relation to these payments or any actions by Ascalon in relation to them.

As there is a risk of fraudulent fax withdrawal requests by someone who has access to your account number and your signature, you need to exercise caution.

Ascalon reserves the right to add additional requirements to the fax conditions at any time.

ANTI-MONEY LAUNDERING (AML) / COUNTER TERRORISM FINANCING (CTF) TERMS

As part of our commitment to both Australian and international AML/CTF regulations your Application Form must be completed in full to allow us to meet our legal obligations. In the event of delay or failure to produce information required the Responsible Entity may refuse to accept an application.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 requires the collection and verification of specific information from clients. As well as completing the Application Form you may also be required to provide an identification form. This will depend on the type of account you are opening and whether or not you are being identified through an authorised financial adviser.

IDENTIFICATION VIA AUTHORISED FINANCIAL ADVISER

If you are being identified by your financial adviser, then your adviser will need to:

- Complete the relevant IFSA/FPA Identification form for the type of account you are opening. All IFSA/FPA Identification forms can be found on www.ifsa.com.au. The IFSA/FPA Identification form for Individuals and Sole Traders can be found on pages 22 to 24.
- Verify certain identification documents, such as your passport or driver's licence. Each form has different requirements which are specified on the form.
- Send a copy of the completed form to us with your Application Form.

IDENTIFICATION WITHOUT AN ADVISER

If you are not being identified by an authorised financial adviser, then you will need to:

- Use the relevant IFSA/FPA Identification Verification Form for the type of account you are opening. All IFSA/FPA Identification forms can be found on www.ifsa.com.au. The IFSA/FPA Identification form for Individuals and Sole Traders can be found on pages 22 to 24.
- Provide original or certified copies of the supporting identification documentation, such as passport or driver's licence, to the checking officer who will complete the form. Details of the supporting identification documentation required for each form are specified on the form.
- If you are an individual or sole trader you can take the relevant IFSA/FPA Identification Verification Form with the supporting identification documentation to an Australia Post office where the form can be completed and the supporting identification documentation verified. Alternatively, mail the form and certified copies of the supporting identification documentation to us.
- If the account is for another type of entity, such as a company mail the form and certified copies of the supporting identification documents to us.

CERTIFIED COPIES

Documents may be certified by a lawyer, judge, magistrate, chief executive officer of a Commonwealth court, registrar or deputy registrar of a court, Justice of Peace, notary public, an agent of the Australian Postal Corporation (who is in charge of an office supplying postal services to the public or has 2 or more years experience), police officer, as Australian consular official, an officer with 2 or more years service with a financial institution, an officer or authorised representative of a holder of an AFSL, having 2 or more years service with a licensee.

Only documents that are certified in original ink, where the certifying person (not being the applicant) has written 'This is a true copy of the original' on the documents, has stamped them with the company stamp and has signed and printed their name on each page requiring certification.

Where documents are not in English you must ensure that a translation into English is provided by an accredited translator.

AML/CTF TERMS AND CONDITIONS

- You must not knowingly do anything to put the Responsible Entity in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, rules and other subordinate instruments ("AML/CTF Laws"). You agree to notify the Responsible Entity if you are aware of anything that would put the Responsible Entity in breach of AML/CTF Laws.
- If requested, you agree to provide additional information and assistance and comply with all reasonable requests to facilitate the Responsible Entity's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction.
- You represent and warrant that you are not aware and have no reason to suspect that:
 - the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar Illegal Activities; and
 - proceeds of investment made in connection with this product will fund illegal activities.
- The Responsible Entity is subject to AML/CTF Laws. In making an application pursuant to these terms and conditions, you consent to us disclosing in connection with AML/CTF Laws any of your Personal Information (as defined in the Privacy Act 1988 (Cth)) we have.
- In certain circumstances we may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, we are not liable to you for any consequences or losses whatsoever and you agree to indemnify us if we are found liable to a third party in connection with the freezing or blocking of your account.
- The Responsible Entity retains the right not to provide services/issue products to any applicant that it decides, in their sole discretion, that they do not wish to supply.

COMPLETING THE APPLICATION FORM

Please complete the Application Form in **block letters**.

Items in the Application Form marked with an asterisk (*) must be completed where applicable.

1. NEW AND EXISTING INVESTORS

(a) New Investors

To apply you need to complete all relevant sections of the Application Form.

(b) Existing Investors

If you are an existing investor in the Fund, please specify your current Investor ID and Account ID details in the sections allocated. This will facilitate processing of your transaction whether it is an additional investment, or a new investment.

2. INDIVIDUALS, JOINT APPLICANTS OR INDIVIDUAL TRUSTEE DETAILS

Please complete this section with your details if you are an individual, joint applicant or an individual trustee.

Joint applicants

When you purchase units in more than one name, you hold them as joint tenants. This means that all unit holders must sign the Application Form and all future correspondence with Ascalon unless you opt otherwise in Part 10 of the Application.

3. COMPANY DETAILS

To be completed by company and company trustees only.

4. CORRESPONDENCE ADDRESS

This is to be completed only if the address for correspondence is different to the address provided in either part 2 or part 3.

5. INVESTMENT DETAILS

Note that you will need to indicate if your investment is an initial investment or an additional investment. Then write the amount you wish to invest next to the Fund you have chosen in the "Investment Amount" column.

6. AUTHORISED AGENT'S AUTHORITY

7. PRIVACY CONSENT PREFERENCE

8. TAXATION DETAILS

9. ANNUAL FINANCIAL REPORT

} Please
read and
complete
only if
applicable

10. SIGNING AUTHORITY

For joint applicants only. Please read and complete.

11. SIGNATURES

Please read the statements outlined under this section. An application cannot be accepted unless it has the signatures of all applicants.

ADDITIONAL INFORMATION

Further information about the Fund is available by calling the Ascalon Investor Services team on:

1300 303 933 or by email to ascalon@ascalon.com.au

LODGING APPLICATIONS

Before completing the Application Form you should read the entire PDS to ensure the Fund meets your needs. The Application Form is attached on pages 18 to 24. This needs to be completed in full and returned as per the following:

LODGING APPLICATIONS

Mail your application to:

**Ascalon Capital Managers Limited
C/- RBC Dexia Investor Services Trust
GPO Box 4537
Melbourne VIC 3001**

Cheques should be made payable to:

RBC Dexia Investors Services Australia Nominees Pty Limited, Ascalon Capital – a/c (investor's name[s]).

Fax instructions should be forwarded to:

**Ascalon Capital Managers Limited
C/- RBC Dexia Investor Services Trust
Fax: (02) 8262 5492**

Please cut along the line

H3 Global Strategies Fund AU (ARSN 140 449 490) - APPLICATION FORM

Ascalon Capital Managers Limited ACN 093 660 523 AFSL 300697 (Responsible Entity)

This Application Form relates to the **H3 Global Strategies Fund AU PDS** dated 23 November 2009.
Please ensure you have read this PDS before completing this Application Form. **[BLOCK LETTERS ONLY PLEASE]**

1. NEW AND EXISTING INVESTORS

If you are a new investor go to No. 2 and complete the application form.
If you are an existing investor please advise your Investor ID and Account ID details.

Investor ID

Account ID

If you are adding to your existing investment or if you are an existing investor and wish to make a new investment, go to No.5.

TYPE OF APPLICANT
 Individual / Joint Applicant / Individual Trustee (including superannuation fund)/ Partnership / Adult on behalf of a Minor (under the age of 18) / Individual as an executor;
→ Complete Parts 1,2,4,5,6,7,8,9,10,11,12 and 13
 Company / Company Trustee (including superannuation fund)/ Company as an executor
→ Complete Parts 1,3,4,5,6,7,8,9,10,11,12 and 13
IMPORTANT NOTE: ONLY PARTS 6, 9 AND 10 ARE OPTIONAL. ALL OTHER PARTS MUST BE COMPLETED.

2. INDIVIDUALS, JOINT APPLICANTS OR INDIVIDUAL TRUSTEE DETAILS

APPLICANT 1 DETAILS

Title Given names *(in full)**

Surname*

Date of birth* / / Male Female

Occupation *(if applicable)**

Residential address *(No PO Box)**

Home phone Work phone

Fax Mobile

E-Mail

Country of residence* Driver's licence number*

APPLICANT 2 DETAILS

Title Given names *(in full)**

Surname*

Date of birth* / / Male Female

Occupation *(if applicable)**

Residential address *(No PO Box)**

Home phone Work phone

Fax Mobile

Email

Country of residence* Driver's licence number*

MINOR, ESTATE, PARTNERSHIP OR BUSINESS ONLY

Full name of minor, estate, partnership or business*

Type *(enter either minor, estate, partnership or business)**

Country of formation *(complete if partnership or business only)**

ABN/ACN/ARBN*

Principal place of business *(No PO Box)**

SUPERANNUATION FUND OR TRUST ONLY

Full name of Superannuation Fund or Trust *(if applicable)**

Type of Trust*

Country of establishment*

ABN/ARSN*

ADVISER USE ONLY

Dealer code	Adviser name	Adviser stamp
<input type="text"/>	<input type="text"/>	
Adviser code	Adviser signature	
<input type="text"/>	<input type="text"/>	

3. COMPANY DETAILS

Full name of company or company trustee (including incorporated bodies) *

ABN/ACN/ARBN *

--	--	--	--	--	--	--	--	--	--	--	--

Type of company (tick appropriate boxes) *

- Australia domestic company
 - Proprietary
 - Public
- Foreign company registered in Australia
 - Unregistered in home jurisdiction
 - Registered in home jurisdiction
 - Private company
 - Public company
 - Other (specify _____)
- Foreign company not registered in Australia
 - Unregistered in home jurisdiction
 - Registered in home jurisdiction
 - Private company
 - Public company
 - Other (specify _____)

Contact person

--

Capacity of contact person

--

Country of incorporation or formation *

--

Registered office address (No PO Box) *

Primary place of business (only if different to registered office) *

Telephone (business hours)

--

Telephone (after hours)

--

Fax

--

Mobile

--

E-Mail

--

Full name of all company directors (only applicable if private or proprietary company) *

Full name of Superannuation Fund or Trust (if applicable) *

--

Type of Trust (if applicable) *

--

Country of incorporation or formation Fund or Trust (if applicable) *

--

ABN/ARSN/Other (specify _____) of Fund or Trust (if applicable) *

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Full name of minor or estate (if applicable) *

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4. CORRESPONDENCE ADDRESS Only complete if your correspondence address is different to the address in Part 2 or Part 3. This address will be used by the share registry as your registered address. If left blank the address in Part 2 or Part 3 will be used.

Contact name and address

Email (this address will be used to issue electronic notifications)

--

5. INVESTMENT DETAILS

Source of funds: Cheque

Fund Name	Initial ¹ Investment amount	Additional ² Investment amount
H3 Global Strategies Fund AU	A\$	A\$
TOTAL AMOUNT	A\$	A\$

1. Minimum initial investment is \$50,000.

2. Minimum additional investment is \$10,000.

6. PAYMENT DETAILS Bank account details for payment of distributions and redemptions.

Bank	BSB Number	Account Number	Account Name

7. AUTHORISED AGENT'S AUTHORITY

Refer to the PDS under the heading 'Authorised Agent' for more details.

Do you wish to appoint an authorised agent to act on your behalf?

- No → go to 8. Yes → please complete the following:

You agree to be bound by the terms and conditions of appointment of an agent set out in *this PDS under the 'Authorised Agent'*.

In appointing an agent you acknowledge that you may not make any claim against the Responsible Entity for anything that may (or may not) be done at the request of your agent or anything for which reasonable grounds were held to believe was done (or not done) at your agent's request or with or under your agent's agreement.

Agent's full name

Agent's Signature

Date (mm/dd/yyyy):

8. PRIVACY CONSENT PREFERENCE

Refer to the PDS under "Protecting Your Privacy" for more details.

Would you like the benefit of receiving information about products and services which may be of value or interest to you?

- No Yes

If you do not tick either box, information about products and services will continue to be provided. This information could be provided to you either in written or electronic form. Your answer applies to both applicants (if applicable).

9. TAXATION DETAILS

Applicant 1

Tax File Number or reason for a TFN exemption

- I authorise this Tax File Number to apply to this investment only.
 I authorise the Responsible Entity to apply the Tax File Number previously provided. (Only applies if the investment is an additional contribution to an existing account).

Applicant 2

Tax File Number or reason for a TFN exemption

- I authorise this Tax File Number to apply to this investment only.
 I authorise the Responsible Entity to apply this Tax File Number previously provided. (Only applies if the investment is an additional contribution to an existing account).

10. ANNUAL FINANCIAL REPORT

You can obtain a copy of the Fund's annual financial report from the Responsible Entity's website at www.ascalon.com.au from 30 September each year. However, if you would like to receive a copy by post please tick the box.

- Please post me a copy of the Fund annual financial report.

11. DISTRIBUTION REINVESTMENT

Distributions will be automatically reinvested in the Fund. If you would prefer that your distribution was not reinvested please tick the box.

- Please do not reinvest my distributions.

12. SIGNING AUTHORITY (Joint individual applicants only)

Only complete this part if you wish to authorise the Responsible Entity to effect instructions from:

- Any one of the signatories in Part 13 OR
 All of the signatories in Part 13.

13. ACKNOWLEDGEMENTS AND SIGNATURES

You must read the following acknowledgements. By signing this Application Form you agree to the following statements:

- I/We confirm all of the details in this Application Form are true and correct and that I/We have completed the Application Form correctly and completely;
- I/We agree to be bound by the provisions of the Constitution governing the H3 Global Strategies Fund AU. I/We acknowledge that neither the Responsible Entity, nor any of its related entities, shareholders, directors or officers makes any representation as to

the performance or success of, the rate of income or capital return from, or recovery of money invested in the Fund;

- I/We acknowledge that an investment in the Fund is not a deposit or liability of the Responsible Entity, nor any of its related entities;
- If signed under Power of Attorney, the Attorney hereby certifies that he/she has not received notice of any limitation or revocation of that Power;
- I/We have read and understood the privacy statement in the PDS under the heading 'Protecting Your Privacy' and consent to the collection, use and disclosure of personal information in accordance with the privacy statement. Where I/we have provided information about another individual, I/we declare that the individual has been made aware of that fact and the contents of the privacy statement;
- I/We acknowledge that we have personally received a copy of the PDS in which this application form is included, have read and understood it in full and agree to be bound by the declarations and conditions outlined in the PDS;
- If I/we have provided an e-mail address, I/we consent to receive ongoing investor information including confirmations of transactions, tax statements, distribution information and additional information as applicable, via that method of delivery.
- I/We acknowledge that the information contained in the PDS is not investment advice or a recommendation in any way;
- I/We acknowledge that an investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and capital invested;
 - Where an application relates to an offer in New Zealand, I/we are an NZ Eligible Investor (as defined in the PDS) and therefore not a member of the public for the purposes of the New Zealand Securities Act 1978 including in respect of each future application, unless I/we notify the Responsible Entity otherwise in writing;
 - I/We represent and warrant that I am/ We are not in the United States, are not a United States person and will not offer, sell or resell units in the United States to, or for the account or behalf of any United States person;
 - If this Application Form is signed by a trustee of a superannuation fund or trust, I/we declare that I/we are acting in accordance with my/our designated powers and authority under the trust deed and applicable legislation and is the sole trustee (unless otherwise expressly stated);
 - I/We agree that the Responsible Entity issues this PDS solely in its capacity as responsible entity of the Fund and (without limiting its rights under the Constitution of the Fund), to the extent permitted by law, its liability is limited to the amount which it is actually indemnified for out of the assets of the Fund in respect of such liability;
 - I/We authorise the Responsible Entity, and its respective officers or agents, to do anything on my/our behalf necessary for the relevant number of units in the Fund for which I/we have applied under this application to be allocated to me/us; and
 - By applying for units in the Fund in accordance with the PDS, I am/we are not and will not be in breach of any law of any jurisdiction (including outside of Australia).

Further, the Responsible Entity is bound by laws relating to the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF laws"). By completing this Application Form:

- I/We declare that I am/we are not commonly known by any other names different from those disclosed in this form;
- I/We declare that monies used by me/us to invest in the Fund are not derived from or related to any criminal activities;
- I/We declare that any proceeds of my/our investment will not be used in relation to any criminal activities;
- I/We declare that any documents or information used for verification purposes in support of my/our application is/are complete and correct;
- I/We agree to provide any additional information you may require for the purposes of the AML/CTF laws;
- I/We acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing this form;
- I/We acknowledge that where a transaction is delayed, blocked, frozen or refused the Responsible Entity will not be liable for any loss (including consequential loss) as a result of its compliance with the AML/CTF laws; and
- I/We will notify the Responsible Entity if I/we become a "politically exposed" person or organisation for the purposes of the AML/CTF laws, or become known by a name other than the name provided in this Application Form at the time of applying for units in the Fund.

Before signing, you should read the PDS in its entirety. Each applicant must sign this Application Form. If you are signing under Power of Attorney, you must attach a certified copy of the Power (for the initial investments only). Applications by a

trustee(s) must be signed by each trustee. Corporations (including trustees) must sign under company seal, or by two directors or by a director and secretary, or by Power of Attorney (as defined in section 129 of the Corporations Act 2001).

SIGNATURE - Applicant 1

Date (dd/mm/yyyy)

Print full name

SIGNATURE - Applicant 2

Date (dd/mm/yyyy)

Print full name

Company seal (if applicable)

Identification Requirements for Australian Investors

To enable us to verify your identity Australian investors¹ must submit all relevant documentation, as outlined below, along with the completed appropriate form¹.

Please ensure that the appropriate form¹ is completed in full and submitted with all relevant documentation to avoid delays in processing or the possible rejection of your application.

Existing investors may be required to provide additional information when selling, redeeming or transferring shares or if their circumstances change².

Investor Type	Required Documentation
Existing investors (either individuals or corporate)	Assuming the documentation held by the Responsible Entity is valid i.e. has not expired, then no further documentation is required. Otherwise see below.
Individuals (including trustees, beneficiaries and joint investors)	A certified copy ³ of one of the following (showing a clear copy of the applicants photograph and signature): <ul style="list-style-type: none"> • Extract from a valid passport; OR • Drivers Licence; OR • Proof of age card issued under a State or Territory.
Companies registered in Australia or listed on the Australian Stock Exchange	If a proprietary company, provide a list of shareholders holding 25% or more of the issued share capital in the company.
Trust (registered scheme, registered trust, fund established by legislation)	Ensure all information in relation to the trust and trustee is completed on the application form.
Australia trust not regulated or registered by any Government Authority	<ul style="list-style-type: none"> • Certified copy³ or certified extract of the trust deed; AND • Identification documents for one of the trustees as per the relevant investor type; AND • List of names / class of beneficiaries.
Partnerships	<ul style="list-style-type: none"> • Registered business name of the partnership (if any); AND • List of all partners (including names, dates of birth and residential⁴ addresses); AND Identification documents for one of the partners as per the relevant investor type above; AND EITHER • ABN; OR • Certified copy³ or certified extract of the partnership agreement.
Incorporated Associations	<ul style="list-style-type: none"> • Unique identifying number; AND • List including full names of chairperson, secretary and treasurer; AND EITHER • The name of the body responsible for incorporation; OR • Certified copy³ or certified extract of the rules or constitution of the association.
Incorporated Associations	<ul style="list-style-type: none"> • List including full names of chairperson, secretary and treasurer; AND • Identification documents (refer to relevant investor type above) for one of these members; AND • Certified copy³ or certified extract of the rules or constitution of the association.
Registered Co-operatives	<ul style="list-style-type: none"> • A unique identifying number issued by a registered body; AND • List including full names of chairperson, secretary and treasurer; AND • The name of the body responsible for registration; OR • Certified copy³ or certified extract of any register maintained by the co-operative.
Australian Government Bodies	<ul style="list-style-type: none"> • The type of body; AND • If the government body is established by legislation provide a copy or extract of the relevant legislation.

REFERENCES

¹ Australia investors and appropriate forms

Individuals who are residents of Australia or companies or other entities that are registered or formed in Australia. Investors include new applicants and transferees. Appropriate forms include application forms or transfer forms.

² Provision of additional information

The Responsible Entity reserves the right to request further documentation where deemed necessary.

³ Certified copies

Documents may be certified by a lawyer, judge, magistrate, chief executive officer of a Commonwealth court, registrar or deputy registrar of a court, Justice of Peace, notary public, an agent of the Australian Postal Corporation (who is in charge of an office supplying postal services to the public or has 2 or more years experience), police officer, as Australian consular official, an officer with 2 or more years service with a financial institution, an officer or authorised representative of a holder of an AFSL, having 2 or more years service with a licensee.

Only documents that are certified in original ink, where the certifying person (not being the applicant) has written 'This is a true copy of the original' on the documents, has stamped them with the company stamp and has signed and printed their name on each page requiring certification.

Where documents are not in English you must ensure that a translation into English is provided by an accredited translator.

⁴ Residential address

For individuals this is the address at which you permanently reside. This cannot be a post office (PO) box or a c/- address.

GUIDE TO COMPLETING THIS FORM

- Complete one form for each individual. Complete all applicable sections of this form in **BLOCK LETTERS**.
- Contact your licensee if you have any queries.

SECTION 1A: PERSONAL DETAILS

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

SECTION 1B: VERIFICATION PROCEDURE

Verify the *individual's* full name; and *EITHER* their date of birth *or* residential address.

- Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)
- Contact your licensee if the individual is unable to provide the required documents.

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS

Tick ✓	Select ONE valid option from this section only
<input type="checkbox"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="checkbox"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="checkbox"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="checkbox"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	Select ONE valid option from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Centrelink
<input type="checkbox"/>	Health card issued by Centrelink
Tick ✓	AND ONE valid option from this section
<input type="checkbox"/>	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
<input type="checkbox"/>	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
<input type="checkbox"/>	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
<input type="checkbox"/>	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

PART III – ACCEPTABLE FOREIGN ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	BOTH documents from this section must be presented
<input type="checkbox"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
<input type="checkbox"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

SECTION 1C: RECORD OF VERIFICATION PROCEDURE**IMPORTANT:**

- **Attach** a legible copy of the ID documentation used to verify the individual (and any required translation).
- **Alternatively, if agreed** between your licensee and the product issuer, complete the ID Document Details below, and **DO NOT** attach copies of the ID Documents.

ID DOCUMENT DETAILS	Document 1	Document 2
Verified From	<input type="checkbox"/> Original <input type="checkbox"/> Certified Copy	<input type="checkbox"/> Original <input type="checkbox"/> Certified Copy
Document Issuer		
Issue Date		
Expiry Date		
Document Number		
Accredited English Translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted

SECTION 1D: FINANCIAL PLANNER DETAILS – identification and verification conducted by:

Date Verified (dd/mm/yyyy)

Financial Planner's Name

Phone No.

AFS Licensee Name

AFSL No.