



arkx
global clean energy fund



PRODUCT DISCLOSURE STATEMENT
ARSN 151 200 501

Dated 1 July 2011

Issuer and Responsible Entity:
Ascalon Capital Managers Limited
ABN 14 093 660 523
AFSL 300 697

Investment Manager:
Arkx Investment Management Pty Limited
ABN 71 125 684 166
AFSL 317 837

Product Disclosure Statement

IMPORTANT NOTICE

This Product Disclosure Statement (PDS) dated 1 July 2011 provides details of the Arkx Global Clean Energy Fund ARSN 151 200 501 ("Fund"), a registered managed investment scheme. The Fund will access its investment strategy indirectly by investing in an unregistered unit trust named the Arkx Clean Energy Fund ("Underlying Fund"), the trustee and manager of which is Arkx Investment Management Pty Ltd (ABN 71 125 684 166, AFSL 317837) ("Arkx"; "Manager").

This PDS is issued by Ascalon Capital Managers Limited (ABN 14 093 660 523, AFSL 300697), the responsible entity of, and issuer of units in, the Fund. Ascalon is a wholly owned subsidiary of the Westpac Banking Corporation ABN 33 007 457 141 ("Westpac") and is responsible for the day to day operations of the Fund. Ascalon has a minority ownership interest in Arkx. Information on Ascalon can be obtained on Ascalon's website www.ascalon.com.au.

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

References to "Arkx", "Investment Manager" or "Manager" are to Arkx Investment Management Pty Ltd.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general banking business in New South Wales, Australia.

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. This PDS is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors receiving it).

Ascalon 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 (collectively "IDPS"). Investors investing through an IDPS ("Indirect Investors") may rely on the information contained in this PDS in instructing IDPS operators to invest in the Fund on their behalf. Ascalon 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.

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. Prospective investors should read and understand this PDS in its entirety, rely upon their own enquiries and seek their own financial and taxation advice in deciding whether to invest. Ascalon, the Custodian, the Administrator, Arkx, their related entities, shareholders, directors or officers do not 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 Ascalon. The offer made in this PDS is only available to investors receiving it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted.

An investment in the Fund is not a deposit with, or liability of, Westpac or any other company of the Westpac Group and is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any of its related entities guarantees the investment performance or the capital value of the Fund.

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 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.

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

If any part of the PDS (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

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The Fund at a Glance

INVESTMENT OBJECTIVE	The Fund aims to outperform (after fees and expenses) the MSCI World Index (Net Dividends, Hedged, in AUD) over rolling five year periods.
BENCHMARK	MSCI World Index (Net Dividends, Hedged, in AUD)
INVESTMENT STYLE	The Fund invests across a global universe of listed companies that operate in the sectors of clean and renewable energy (solar, wind, hydro, geothermal), as well as energy efficiency, energy storage, electric vehicles and clean building technologies.
RECOMMENDED INVESTMENT TIMEFRAME	5 years or more
TARGET NUMBER OF STOCKS IN PORTFOLIO	The Fund aims to hold approximately 20-30 stocks.
MINIMUM INVESTMENT	\$25,000
MINIMUM ADDITIONAL INVESTMENT	\$10,000
TARGET ASSET ALLOCATION RANGES	Global equities: 90 – 100% Cash: 0 – 10%
FOREIGN CURRENCY EXPOSURE	The Fund aims to hedge all of its foreign currency exposure back to the Australian Dollar.
MANAGEMENT COSTS	As at the date of this PDS, management costs of the Fund comprise the following components: <ol style="list-style-type: none"> 1. Management Fee: 1.00% per annum 2. Performance Fee: 20% of the amount (if any) by which the Fund's investment performance (before fees) exceeds the higher of the Hurdle or an absolute return target of 1% p.a.
HURDLE	MSCI World Index (Net Dividends, Hedged, in AUD) return plus the Management Fee of 1% p.a.
BUY/SELL SPREAD	+/- 0.30% on the application/withdrawal amount.
APPLICATIONS	Applications can be made by completing the Application Form (attached to this PDS) and satisfying identification requirements.
ADDITIONAL INVESTMENTS	Existing investors can make additional investments on any Business Day.
WITHDRAWALS	Investors can request a withdrawal on any Business Day.
MINIMUM WITHDRAWAL	\$10,000 (subject to the minimum investment amount of \$25,000 being maintained)
UNIT PRICING	Unit prices are calculated each Business Day for valuation as at the close of business of the preceding Business Day.
DISTRIBUTIONS	Distributions will usually be determined annually as at 30 June each year. Distributions will generally be paid within one month after the distribution date.
ADMINISTRATOR AND CUSTODIAN	The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (HSBC).

The table above is a general summary of certain key features only. An investment in the Fund is subject to the terms and conditions as set out in this PDS in its entirety.



Arkx Investment Management

The Responsible Entity (Ascalon) has appointed Arkx as the investment manager of the Arkx Global Clean Energy Fund.

Part owned by Ascalon, Arkx is a specialist, Australian-based, global listed equities manager.

It is the aim of Arkx to achieve long-term wealth creation for investors via the allocation of capital to clean energy sectors in the form of listed, global companies that it believes have proven, profitable technologies supported by strong balance sheets.

Arkx considers that clean energy investment is a compelling theme. It has significant macro and microeconomic implications and stands to bring about a process of fundamental structural, economic and social change.

Broadly, this change is being driven by a three-fold global focus on:

1. The growth of energy consumption
2. Risks relating to energy security
3. The evolving formulation of Government policy in response to the science of climate change

Arkx considers that the move to a low-carbon economy will fundamentally alter what goods and services are produced, how they are produced and where they are produced.

To implement its investment philosophy, Arkx has developed a 5-stage investment process to identify quality companies which meet its strict criteria.

Arkx holds an Australian Financial Services Licence (AFSL 317837) and is a signatory to the United Nations Principles for Responsible Investment.

For more information on Arkx, please visit www.arkx.com



About the Arkx Global Clean Energy Fund

The Arkx Global Clean Energy Fund has been established as a registered managed investment scheme under the Corporations Act 2001. The Fund has been established to provide investors with an opportunity to gain exposure to a strategy managed by Arkx Investment Management. The strategy is otherwise only available for investment by institutional or other wholesale investors.

The Fund will access its investment strategy through an Underlying Fund (Arkx Clean Energy Fund). References in this PDS to investments, objectives, risks and other characteristics of the Fund also refer to the Underlying Fund.

FUND OBJECTIVE AND TIMEFRAME

The Fund aims to deliver long-term wealth creation for investors through the allocation of capital to clean energy sectors and companies that Arkx believes have proven, profitable technologies supported by strong balance sheets.

The Fund aims to outperform (after fees and expenses) the MSCI World Index (Net Dividends, Hedged, in AUD) over rolling five year periods.

The suggested investment timeframe is five years or more.

GLOBAL CLEAN ENERGY DRIVERS

The investment philosophy of the Fund is premised on three important drivers:

- 1. Growth of Energy Consumption** – Energy consumption is expected to grow through increases in population and the continuing industrialisation of developing economies. This growth in demand, combined with the spectre of diminishing, non-renewable energy sources will mean the search for alternative energy sources will intensify to meet demand.
- 2. Energy Security** – Major economies of the world are dependent on a few key countries for fossil fuel-based energy; volatility in the price and availability of oil in particular is a major influencing factor on national economic development. Prudence therefore dictates that countries develop their own secure and diversified sources of energy.
- 3. Climate Change** – Governments are developing policy responses to the threat of climate change. These include renewable energy targets, feed-in tariffs and pricing carbon emissions. These measures are expected to act as a catalyst in the transition to a low-carbon economy.

INVESTMENT STRATEGY

The Fund invests primarily in equities listed on global markets that are focussed on clean technology and renewable energy.

It invests in equities issued by companies that:

- Operate clean energy infrastructure assets such as wind farms, hydroelectric or clean energy generation assets.
- Facilitate energy efficiency.
- Produce the technologies and equipment that facilitate the transition to a low carbon economy, such as:
 - Renewable energy (wind, solar, hydro, geothermal)
 - Energy efficiency
 - Hydrogen and fuel cells
 - Power storage

While the Fund will primarily invest in listed equities, it will also invest in cash and cash equivalent securities, and employ the use of derivatives to hedge its foreign currency exposure. The Fund's target exposure ranges are described below.

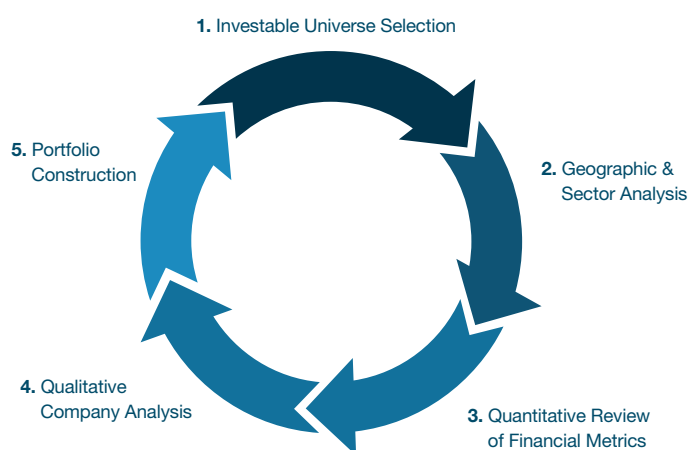
TARGET EXPOSURE RANGES

Global equities	90 – 100%
Cash	0 – 10%
Number of securities	Approximately 20 – 30

It is important to note that in the day to day management of the Fund, exposures may fall outside the target ranges (for example, with large cash flows).

Investment Process

Arkx employs an investment selection process consisting of five key stages, aimed at creating a core portfolio of assets within the investment universe.



The Arkx approach is limited to clean technology and renewable energy investment due to a conviction that this theme represents a long-term secular growth trend.

However, it is important to understand that top-down strategies can be complex and can change depending on a variety of factors (for example, due to environmental or financial reasons).

At the present time, Arkx excludes investment in companies with a material exposure to nuclear and/or hydraulic fracturing ('fracking') technologies.

United Nations Principles for Responsible Investment

The United Nations-backed Principles for Responsible Investment (PRI) initiative is a network of international investors working together to put the six Principles for Responsible Investment into practice.

The Principles were devised by the investment community. They reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty.

As a signatory to the Principles, Arkx has committed to:

1. Incorporating ESG issues into investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into our ownership policies and practices.
3. Seeking appropriate disclosure on ESG issues by the entities in which we invest.
4. Promoting acceptance and implementation of the Principles within the investment industry.
5. Working with other signatories to enhance our effectiveness in implementing the Principles.
6. Reporting on our activities and progress towards implementing the Principles.

Source: United Nations Principles for Responsible Investment

Stage 1: **Investable universe selection** to select only listed companies that generate at least 50% of revenues, profits or assets from clean energy or energy, grid or storage efficiency operations.

Stage 2: **Geographic & sector analysis** whereby Arkx looks to position the portfolio in particular sectors with the most favourable characteristics and exclude certain subsectors.

Stage 3: **Quantitative review of financial metrics** to ensure the Fund invests in companies with sensible balance sheet gearing and proven profitable operations.

Stage 4: **Qualitative company analysis** of the relative valuation, geographic and technology profiles of the focus list of companies.

Stage 5: **Portfolio construction** to ensure the appropriate diversification across geographies and technologies within the Fund.

HOW THE FUND WORKS

The Fund is a registered managed investment scheme under the Corporations 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. A unit does not give you any interest in any underlying asset in the Fund.

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.

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 may not normally be able to 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 as at the date of application.

Investors should weigh up the potential benefits against the risks of investing (see the following section titled "Investment Risks").

KEY BENEFITS OF INVESTING IN THE FUND

Investing in the Fund provides investors with:

- Potential for superior returns relative to the Benchmark
- Access to an investment philosophy which aligns responsible investment and superior returns
- Opportunity for portfolio diversification

CHANGES TO THE FUND

Ascalon has the right to change the Fund's objective and investment strategy at its discretion and in some cases, without prior notice. Investors will be informed of any material changes to the Fund either by the next regular investor communication or as otherwise required by law.

LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

The Fund's investment criteria takes into account labour standards, environmental, social and ethical considerations for the purpose of selecting, retaining or realising any investment of the Fund, in accordance with the United Nations Principles for Responsible Investment.



Investment Risks

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 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.

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.

An investment, such as the Fund, which invests in long-term growth assets, generally produces relatively higher investment returns. Historically, growth assets have been characterised by volatility in the short-term and capital growth in the long-term. Investors should understand that the value of investments may go up or go down. Investments in the Fund are not guaranteed.

To assess whether the Fund is suitable for you, please consult your financial adviser.

Prospective investors should consider the risks summarised overleaf and speak to their financial adviser when determining whether an investment in the Fund is suitable for them.

Risks Associated With Investment in The Fund

Risks can be minimised but not entirely eliminated. You should be prepared to accept the risks before investing in the Fund. The primary risks associated with investment in the Fund are outlined as follows:

Type of Risk	Risk Explained
Market & Strategy Risk	<p>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, particular asset classes or futures positions at different times.</p> <p>Risks are involved in the trading activities generally undertaken by Arkx. Increasing competition may limit Arkx's ability to take advantage of trading opportunities in rapidly changing markets. No assurance can be given that the Fund will realise a profit or that it will not lose some or all of its equity value. In addition, the 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 are not indicative of future results.</p>
Nature of Investments	<p>The Fund's investments involve a high degree of financial risk. Markets in which the Fund is anticipated to invest 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.</p> <p>As a result of the nature of investments, an investor may lose part or all of their investment in the Fund.</p>
Company Specific Risk	<p>Company specific risk is the inherent risk that an investment made by the Fund (e.g. an investment in a particular company's shares) could adversely affect the Fund's performance.</p>
Country, Legal, Tax and Regulatory Risk	<p>This is the risk of being exposed to the regulatory (including tax and legal), economic and/or political climate in the countries in which the Fund invests or has exposure to. These risks may adversely affect investments held in those countries as well as impact on the Fund's performance.</p> <p>Where there are material changes in relevant jurisdictions, these changes may result in the Fund being unable to achieve its stated investment objectives.</p> <p>Securities in which the Fund may trade or invest are also subject to certain risks arising from government or regulatory intervention in the relevant capital markets. Such regulation or intervention could adversely affect the Fund's performance or the viability of its investment strategy.</p>
Liquidity of Investments	<p>Investing has the risk that a given security or asset cannot be traded quickly enough to prevent a loss (or make the required profit). Also, the Fund's inability to readily dispose of its underlying investments may limit the Fund's ability to meet withdrawal requests.</p> <p>For example, securities of companies may, from time to time, exhibit limited liquidity. This may also extend to any swap transaction, structured security or derivative contract which provides exposure to assets which may be difficult to access directly.</p> <p>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 Ascalon believes do not reflect the true value of such investments, resulting in an adverse effect on the return to remaining investors. In addition, although it is expected on termination of the Fund to liquidate all of its underlying investments and distribute only cash to the unit holders in the Fund, there can be no assurance that this objective will be attained.</p>
Manager Risk	<p>Although Ascalon has the responsibility for the management of the Fund, all the decisions relating to the investment of the Fund's assets will ultimately be made by Arkx. The Fund's investment process is largely dependent on the continuation of the services and skills of Arkx's officers and employees. The loss of Arkx'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 Arkx.</p> <p>In addition, Arkx may fail to meet the Fund's objective, such as not producing returns that compare favourably against the Benchmark.</p>
Currency Risk	<p>Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the Australian Dollar (AUD) value of these investments will vary depending on changes in the exchange rate.</p> <p>Currency movements can disguise the return from the underlying investments and consequently the Fund intends to hedge the currency exposure. However, despite the intention to hedge, an offsetting transaction may not perfectly hedge the currency exposure.</p>
Derivatives Risk	<p>Derivatives are not an integral part of the investment process. However, derivatives such as options, futures and swaps, may be used by the Fund to:</p> <ul style="list-style-type: none"> • Manage risk (such as hedging currency exposure) or gain exposure to investments; • Implement an investment strategy in a cost efficient manner; or • Substitute for direct investment in securities. <p>Risks of derivatives include:</p> <ul style="list-style-type: none"> • The value of the derivative failing to move in line with the underlying asset or as expected; • Potential illiquidity; • The possibility that the derivative position is difficult or costly to reverse; and • Counterparty risk.
Limited Diversification	<p>The Fund's investments are concentrated and may give rise to higher risk than the reference securities represented by the Benchmark.</p>
Product Risk	<p>Ascalon may make changes to the Fund at any time, including:</p> <ul style="list-style-type: none"> • Closing or terminating the Fund; • The Fund's objective, investment strategy, asset allocation ranges or currency strategy; and • The rules that govern the Fund (e.g. fees, notice periods or withdrawing features). <p>In some cases, we can do these things without prior notice to investors.</p>



How to Apply & Redeem

APPLICATIONS

Minimum Initial Investment

The minimum initial investment is \$25,000. Ascalon may in its discretion raise or lower the minimum initial investment amount.

Minimum Additional Investment

The minimum amount for additional investments is \$10,000, subject to Ascalon's discretion to accept a lower amount.

Application Acceptances

Applications are accepted (in whole or in part) at the absolute discretion of Ascalon. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

Application Process and Cut-Off Times

Applications can be made by completing the Application Form attached to this PDS (see below instructions for IDPS investors). Applications (including application money) and cleared funds must be received by 12 noon on a Business Day; otherwise the application will generally be processed on the following Business Day. If the application is accepted, the price will be the unit price that is determined for that Business Day.

A copy of the original executed and completed Application Form may be faxed to the Administrator on 02 8987 5943, but no applications will be processed until the Administrator has received a properly completed original.

When paying by fund transfer or direct credit, cleared funds must be electronically transferred into the application account.

The application account details are as follows:

BSB	342-011
Account Number	358 348 021
Account Name	AFS Subscription Trust Account
Bank	HSBC Bank Australia Limited

Any interest earned on application money (less applicable withholding tax) paid in advance of a Business Day will be retained by Ascalon and paid to the Administrator; it will not be credited in favour of the applicant.

Subsequent additional investments may be effected by properly completing the Application Form and sending this to the Administrator as described above.

Units in the Fund cannot be issued unless you have appropriately completed the Application Form attached to this PDS.

Investing Through an IDPS

Ascalon authorises the use of this PDS as disclosure to persons seeking to access the Fund indirectly through an IDPS. Investors investing in the Fund 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.

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 or your financial adviser.

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. Also, the tax information in this PDS does not specifically cater for Indirect Investors.

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 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 to "wholesale clients" as defined by the Corporations Act 2001 or in certain limited situations, such as if the issue is made under a distribution reinvestment plan, where the Fund is illiquid or where an issue represents additional contributions required under an existing agreement.

Also, cooling-off rights do not 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.

REDEMPTIONS

Minimum Redemption

The minimum redemption is \$10,000 (or such lesser amount as Ascalon may determine). A redemption request which would cause the investor's investment to fall below the minimum holding of \$25,000 (or such lesser amount as Ascalon may determine) will not be permitted.

Redemptions Processes and Cut-Off Times

Redemptions are generally processed by the following Business Day provided the request is received by the Administrator by 12 noon on a Business Day. Ascalon may at its discretion allow redemptions at other times and with longer or shorter notice periods. The redemption price will be the unit price as at that Business Day. If the request is received after the deadline for receipt of requests, it will be treated as a request for redemption received on the next relevant Business Day.

Investors may redeem all or part of their investments in the Fund by notifying Ascalon in writing. The original signed copy of the request for redemption should be sent to the Administrator. A copy may also be faxed to the Administrator on 02 8987 5943 with the original to follow.

Withdrawals will generally be paid within 10 business days after the Administrator receives a properly completed redemption request. Proceeds from redemptions will be electronically credited to your bank account. Note that normal bank charges apply.

Please note that these times are a guide only and as specified in the Fund's Constitution, we may take up to 45 days to process your redemption request.

FAX INSTRUCTIONS SHOULD BE FORWARDED TO:

**Ascalon Capital Managers Limited
C/- The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch**

Attention: Fund Services – Transfer Agency Department

Fax: (02) 8987 5943 (Dealing)

ORIGINAL INSTRUCTIONS SHOULD BE MAILED TO*:

**Ascalon Capital Managers Limited
C/- The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
HSBC Securities Services
HSBC Centre, 580 George Street
Sydney NSW 2000**

Attention: Fund Services – Transfer Agency Department

***Original instruction must be provided after the initial faxed instruction has been sent.**

Facsimile Arrangements

Where application forms are initially sent by facsimile, the original signed application forms must also be sent to the Administrator. None of the Administrator, Ascalon or their duly appointed agents will be responsible to an applicant for any loss resulting from the non-receipt or illegibility of any application initially sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons.

A redemption request must be made via a written request, and it must be signed by the unit holders or the authorised signatories. Redemption requests may be initially sent by facsimile, however, payment of redemption proceeds will not be made until after the Administrator's receipt of the original completed redemption request. If unit holders choose to initially send redemption requests by facsimile, they bear the risk of such requests not being received. None of the Administrator or Ascalon accepts any responsibility or liability for any loss caused as a result of non-receipt or illegibility of any facsimile notice or for any loss caused in respect of any action taken as a consequence of such facsimile instructions believed in good faith to have originated from properly authorised persons.

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

Restrictions on Redemptions

Ascalon may, under the Constitution, suspend or delay redemptions in certain prescribed cases, including where any of the following occur:

- The Fund is illiquid (as defined by the Corporations Act 2001);
- Where large redemption requests are received on a Business Day;
- Ascalon has taken all reasonable steps to realise sufficient Fund assets to satisfy a redemption request and is unable to do so;
- Ascalon is unable to calculate the redemption price or to fairly determine the Net Asset Value due to one or more circumstances outside its control; or
- Ascalon otherwise determines that it is in the best interests of unit holders to extend the period.

If the Fund is illiquid, withdrawals from the Fund will only be possible if we make a withdrawal offer in accordance with the Corporations Act 2001. You will only be able to withdraw on the terms of any such current withdrawal offer which we are not required to make unless we have so determined.

For further details on the circumstances where Ascalon may delay or suspend redemptions, please contact Ascalon on 1300 303 933 or refer to the Fund Constitution, a copy of which is available free of charge by contacting Ascalon.

Investor Communication

As an investor in the Fund, you will normally receive the following reports:

- **Confirmations**
You will receive confirmations of all applications and redemptions.
- **Monthly Report**
A monthly report showing the unit price and performance of the Fund will be made available on Ascalon's website or sent to investors.
- **Annual Statements, Tax and Distribution**
Taxation and distribution statements are forwarded to all investors annually. In addition, an annual statement which contains the transaction history of an investor for the year is also sent to all investors.

Audited Financial Statements

Audited financial statements of the Fund are issued annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act 2001 or under the Fund's Constitution. The audited financial statements are made available to investors online at www.ascalon.com.au. A hard copy may be requested free of charge by contacting Ascalon on 1300 303 933 during business hours on any Business Day. Audited financial statements will not be mailed to investors unless specifically requested.

Indirect Investors

The IDPS operator will provide Indirect Investors with reports on the progress of the Fund.

Continuous Disclosure

Investors have the right to obtain a copy of the following documents free of charge:

- The annual financial report most recently lodged with the Australian Securities and Investments Commission (ASIC);
- Any half year financial report lodged with ASIC after the lodgement of the annual financial report and before the date of this PDS; and
- Continuous disclosure notices given by the Fund after lodgement of the annual financial report. We intend to post continuous disclosure notices on our website.

In addition, the Fund may become a "disclosing entity" under the Corporations Act 2001. When that occurs, the 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 and are available on our website.

Fees & Other Costs

*The disclaimer below is standardised and does not provide specific information on fees and charges. Please refer to the table below for specific information on the Fund's fees and charges.

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 ASIC website (www.moneysmart.gov.au) has a managed funds 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.

Information on taxation is set out in the section entitled "Unit Pricing, Distributions and Taxation". 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
Establishment fee The fee to open your investment	Nil ¹	No fee is charged
Contribution fee The fee on each amount contributed	Nil ¹	No fee is charged
Withdrawal fee The fee on each amount you take out of your investment	Nil ¹	No fee is charged
Termination fee The fee to close your investment	Nil ¹	No fee is charged
Management Costs The fees and costs for managing your investment	The Management costs of the Fund consist of the following components: 1. Management fee ² : 1.00% per annum 2. Performance fee ³ : 20% of the amount (if any) by which the Fund's investment performance (before fees) exceeds the higher of the Hurdle ⁴ or 1% p.a. ⁵ .	The Management Fee is calculated and accrued daily and paid monthly in arrears from the Fund to Ascalon. The Performance Fee (if any) is payable to Ascalon and is calculated and accrued daily in the Fund's unit price. If applicable, the fee is payable semi-annually to Ascalon.
Investment switching fee The fee for changing investment options	Nil ¹	No fee is charged

Notes:

1. A buy/sell spread will generally apply (see "Transaction Costs and Buy/Sell Spread" overleaf).
2. Please refer to the explanation of "Management Fee" and "Expenses" overleaf.
For more information, please refer to the explanation of "Differential Fees" overleaf.
3. See "Performance Fee" overleaf for a dollar worked example.
4. The Hurdle is the MSCI World Index (Net Dividends, Hedged, in AUD) return plus the Management Fee of 1% per annum.
5. 1% per annum reflects the Management Fee currently charged, and may be amended from time to time.

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 one year period. You should use this table to compare this product with other managed investment products.

Example

BALANCE OF \$25,000 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	Management Fee $\$25,000 \times 1.0\% = \250 Estimated Performance Fee at 20% $\$25,000 \times 5\% \times 20\% = \250	And , for every \$25,000 you have in the Fund you will be charged \$250 each year. Important information Example assumes the Fund has outperformed the Hurdle by 5%. This estimate is provided for illustrative purposes only and is not an indication of actual or future performance. The actual performance fee (and therefore management costs) charged in the future may vary over time depending on the performance of the Fund.
EQUALS		If you had an investment of \$25,000 at the beginning of the year and you put in an additional \$5,000 during that year and the Fund outperformed the Hurdle by 5%, you would be charged fees of \$500.
Cost of fund	\$500	What it costs you will depend on the fees you negotiate with the Fund or financial adviser.

Please refer to the explanation of "Transaction Costs and Buy/Sell Spread" for a buy spread that may apply in respect of the \$5,000 contributed. For illustrative purposes, the above example assumes that management costs were calculated on a balance of \$25,000 and the value remains constant at \$25,000 for the entire year. 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 Costs of the Fund

At the date of this PDS, Management Costs of the Fund include a Management Fee and a Performance Fee.

Ascalon may pass some or all of the Management Costs on to the Manager.

Management Fee

A Management Fee of 1.00% per annum of the net asset value of the Fund is payable to Ascalon. The Management Fee is calculated as at each Business Day and is payable monthly in arrears. You will not be charged directly for the Management Fee as this will be paid out of the Fund and reflected in the value of the unit price.

Performance Fee

In addition to the Management Fee, a Performance Fee equal to 20% of the amount (if any) by which the Fund's investment performance (before fees) exceeds the higher of the Hurdle or 1% per annum (or an amount equivalent to the Management Fee, as may be amended from time to time) may be payable.

The Hurdle is the return of the MSCI World Index (Net Dividends, Hedged, in AUD) plus the Management Fee.

This means that a Performance Fee will only be charged if the Fund's investment performance after management fees is positive and has exceeded the Benchmark return.

Where the daily calculated Performance Fee is negative it is applied to reduce any accrued Performance Fee from the previous day, or, where there is no accrued Performance Fee from the previous day, carried forward as a "Performance Deficit". Any Performance Deficit will need to be offset by future positive Performance Fees before any Performance Fee becomes payable. This means that the Fund must make up any under performance (in dollar terms) from previous periods before a Performance Fee can be accrued and reflected in the unit price.

The Performance Fee is calculated each Business Day based on the daily performance and the value of the Fund on that day and, where positive, accrued and reflected in the Fund's unit price, and will affect the return on investment in the Fund. If applicable, the Performance Fee is paid semi-annually (following the end of June and December) out of the Fund and you will not be charged directly.

EXAMPLES OF PERFORMANCE FEES FOR THE FUND

These examples show the dollar effect for a hypothetical investor. Investor A has \$25,000 invested in the Fund on the first day of the period where a Performance Fee was calculated and has made no transactions during that period. Please note that in these examples, the Fund returns include the Management Fee. The examples assume the investor has held the investment in the Fund continuously over the entire period (and for Scenario 4, two subsequent periods) for which the Performance Fee was calculated.

SCENARIO	PERFORMANCE FEE
Scenario 1 <ul style="list-style-type: none"> Fund's gross return is 6% Hurdle return is 6% The Fund return in excess of the Hurdle return is 0%. 	No performance fee is charged.
Scenario 2 <ul style="list-style-type: none"> Fund's gross return is 11% Hurdle return is 6% The Fund return in excess of the Hurdle return is 5% (11% – 6%). 	A performance fee of \$250 is charged ($\$25,000 \times 5\% \times 20\% = \250)
Scenario 3 <ul style="list-style-type: none"> Fund's gross return is 6% Hurdle return is -9% The Fund return in excess of the Hurdle return is 15% (6% – -9%) The Fund return in excess of 1% is 5% (6% - 1%) 	As 1% is higher than the Hurdle, 1% applies. Based on this, a performance fee of \$250 is charged ($\$25,000 \times 5\% \times 20\% = \250).
Scenario 4 <ul style="list-style-type: none"> The Fund has been in existence for 2 periods (Period 1 and Period 2) Investor A has been invested in the Fund continuously during Period 1 and Period 2. <p>Period 1</p> <ul style="list-style-type: none"> Fund's gross return is 0% Hurdle return is 6% The Fund underperforms both the 1% target and the Hurdle, therefore no Performance fee is charged in Year 1 This performance deficit of 6% will be carried forward to Period 2. <p>Period 2</p> <ul style="list-style-type: none"> Same details as Scenario 2 The Fund's gross outperformance of 5% is offset by the Fund's underperformance of 6% in Period 1, resulting in net underperformance (relative to the Hurdle) of 1% at the end of Period 2. This remaining performance deficit of 1% will be carried forward to the next period. 	A performance fee will not be charged because the Fund's outperformance in Period 2 has been offset by the Fund's underperformance in Period 1.

** These examples are provided for illustrative purposes only and do not represent any actual or prospective performance of the Fund. It is not possible to estimate the actual performance fee payable for any given period as we cannot accurately forecast the Fund's performance. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.*

DIFFERENTIAL FEES

Ascalon 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). Such negotiations would be subject to compliance with legal requirements and any applicable ASIC relief. Please contact us or your adviser for details of negotiating any fee rebates or waivers.

Expenses

The Constitution of the Fund allows Ascalon to be reimbursed for expenses incurred in the proper performance of the Fund's day to day operations. As at the date of this PDS, Ascalon pays these expenses (excluding GST payable on our fees) out of the Management Fee, at no additional charge to you.

It is currently intended that the Management Fee covers fees and expenses incurred in the management and administration of the Fund including, but not limited to, Fund custodian fees, accounting and audit fees, tax adviser fees and legal fees relevant to the Fund.

At the date of this PDS, we intend to continue with our current practice of paying the recoverable expenses out of our Management Fee. However, in the future we may decide to deduct expenses in addition to the Management Fee, in which case we will give you 30 days' written notice.

Transaction Costs and Buy/Sell Spread

A buy spread is charged by the Fund 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 Ascalon or Arkx, but paid to the Fund to cover transaction costs incurred.

Currently the Fund charges 0.30% for the buy spread and 0.30% 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 \$25,000 is \$75 for each individual transaction.

The spread of the Fund may be reviewed by Ascalon and altered or waived from time to time, without advance notice to investors. Ascalon may also determine a reasonable estimate of the actual amount necessary to avoid an adverse impact on other unit holders due to the acquisition or disposal of assets carried out because of a particular application or redemption request and apply this as the buy/sell spread for that particular application or redemption.

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.

Increases to Fees and Other Costs

The Constitution of the Fund permits higher fees to be charged as well as other fees which are not currently levied.

The maximum Management Fee under the Constitution is 4% per annum. The maximum Performance Fee allowable under the Constitution is 40%. However, the current applicable fees are as set out in the “Fees and Other Costs” section.

Ascalon may, at its discretion and without your consent, increase the Management Costs up to the maximum amount as set out in the Constitution. However, you will be given 30 days’ written notice in advance of any increase in fees and costs charged by the Fund.

Can we charge fees not currently levied?

The Fund’s Constitution provides that we can charge the following fees:

FEE	DESCRIPTION	MAXIMUM ALLOWABLE
Application fee	The fee on each amount contributed to your investment	6%
Withdrawal fee	The fee on each amount you take out of your investment	6%
Service fee	Fees on services provided to the Fund	0.5% p.a.

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.

Rebates for Interfunding Arrangements

The Fund may invest in other funds that Ascalon, Arkx or a related entity, manage (related fund). Our current policy is:

- No contribution fee is payable to the related fund;
- Management fees are either not collected by the related fund or, if they are, they are rebated in full to the Fund; and
- Certain expenses recoveries (if any) are fully rebated to the Fund, but the related fund may incur those expenses up to the related fund’s own limit (if any) in its constitution.

COMMISSIONS, ADVISER FEES, PRODUCT PAYMENTS

Commissions and Soft Dollar Payments

Ascalon and Arkx do not pay any commissions to your financial adviser. However, the dealer group to which your adviser belongs and your IDPS operator may receive certain payments or other non-monetary benefits from us, such as business and technical support, professional development and entertainment. The provision of such benefits is governed by our Soft Dollar Policy.

These payments and benefits are not an additional cost to you.

We also maintain a register in compliance with the Industry Code of Practice summarising alternative forms of remuneration that are paid or provided to advisers.

If you would like to review this register, please contact Ascalon.

Adviser Service Fee

Subject to Ascalon’s discretion and certain terms and conditions, it may be possible for you to arrange for an adviser service fee to be deducted directly from your investment and paid to your financial adviser.

If you would like further information, please contact Ascalon.

Product Access Payments

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 an additional charge to investors.



Unit Pricing, Distributions & Taxation

Unit Pricing and Valuation Process

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal undivided part of the Fund's Net Asset Value (NAV). As a result, each unit has a dollar value or unit price. Generally, unit prices are calculated each Business Day and are calculated by dividing the Fund's NAV by the total number of units held by investors on that day. All unit prices are calculated to four (4) decimal places. The number of units issued is calculated and rounded to the nearest whole number.

The NAV of the Fund includes the assets (including income accumulated since the previous distribution), less any liabilities (including borrowings and expenses)

The entry unit price is usually higher than the exit unit price as a result of the buy/sell spread. For more information please refer to the section on "Transaction Costs and Buy/Sell Spread".

Entry and exit prices will usually be available in relation to the previous Business Day at www.ascalon.com.au.

Distributions will be reinvested using the entry price for the last Business Day of the relevant distribution period, adjusted to exclude the income to be distributed for the distribution period and any buy/sell spread that would otherwise be included.

Ascalon has adopted a unit pricing policy that sets out policies and procedures when exercising discretions under the Fund's Constitution. For the purpose of calculating the NAV of the Fund, Ascalon shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Fund's prime brokers, market makers and/or independent third party pricing services. Ascalon may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

A copy of our unit pricing policy is available free of charge by contacting Ascalon on 1300 303 933 or by visiting our website www.ascalon.com.au.

Distributions

Distributions will usually be determined annually as at 30 June each year. Distributions will generally be paid within one month after the distribution date.

Ascalon may also pay a special distribution at other times where we consider it appropriate; for example, where there is a large

redemption we may distribute income and capital before processing the redemption so that remaining investors are treated fairly. Prior notice of special distributions will not ordinarily be provided.

Distributions are automatically reinvested unless you instruct the Administrator otherwise in the Application Form. If you do not nominate a bank account for payment of distributions, we will treat this as a request to reinvest your distributions. You may change your distribution option by notifying the Administrator in writing at least 30 Business Days prior to the relevant distribution date.

Distributions are generally assessable income and can be made up of both income and realised capital gains, and will vary depending on the factors that influence the performance of the Fund (such as interest rates and market conditions) and may not be paid at all. Please refer to the explanation of "Taxation" below for further information.

Distributions are calculated in accordance with the Fund's Constitution. Undistributed gains accrue in the unit price of the Fund during the relevant distribution period.

This means that if an investment is made just before the end of a distribution period, you may receive some of the investment back immediately as income.

Immediately following a distribution the Fund's unit price will usually fall because the income and realised gains accumulated during the distribution period have been distributed. Distributions may include a part return of capital. Details will be provided in the investor's tax statement.

Taxation

There are tax implications when investing, withdrawing and receiving income from the Fund. Ascalon cannot give tax advice and we recommend that you consult your professional tax adviser as the tax implications for the Fund can impact investors differently.

What follows is a general outline of some key tax considerations for Australian resident investors. This information is based on our current interpretation of the relevant taxation laws. As such, investors should not place reliance on this as a basis for making their decision as to whether to invest.

Income earned by the Fund, whether distributed or reinvested, can form part of the assessable income for investors in the year of entitlement.

At the end of the Fund's tax year we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

The Fund will seek to pass on any benefits of franking credits in respect of distributions including franked dividends from the Fund. Investors receiving distributions including franked dividends will be required to include their share of dividend income and franking credits in their assessable income. However, investors may be denied franking credits in respect of distributions on units which the investor has not owned at risk generally for a continuous period of 45 days (ignoring the day of acquisition and disposal).

Capital Gains Tax (CGT)

Your assessable income for each year may include net capital gains (ie - after offsetting capital losses). The two sources of CGT that may arise are from:

- A component of the distribution made to investors from the Fund; or
- Withdrawing units from the Fund.

Individuals, trusts and complying superannuation entities may be eligible for partial CGT concessions in relation to the disposal of units and the capital gains portion of distributions where they have held the units for at least 12 months.

Goods and Services Tax (GST)

The application for, and redemption of, units in the Fund and receipt of distributions will not be subject to GST. However, GST is payable on our fees and certain reimbursement of expenses. The Fund may be able to claim input tax credits and/or reduced input tax credits (RITCs) of at least 75%.

Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable RITCs.

Foreign Tax Credits

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 credit for foreign taxes paid by the Fund.

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

It is not compulsory for investors to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided, tax will be deducted from income distributions at the highest personal marginal rate plus any other mandatory government levies. The ABN, TFN or an appropriate exemption can be provided on the Application Form when making an initial investment.

Legislative Changes

The legislative changes under the Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 (TOFA) may apply to the Fund in relation to some of the investment strategies employed by the Fund. One of the main features of the TOFA regime is to tax gains and losses from financial arrangements on a revenue basis. As such, the Fund may need to account for some or all of its taxable income on an accrual basis.

Deemed CGT Treatment

Legislation has been enacted to allow eligible Managed Investment Trusts (MITs) to make an irrevocable election to apply deemed "capital account" treatment for gains and losses on disposal of qualifying investments (including equities and units in other trusts, but excluding fixed interest securities and other securities covered by the TOFA regime). The deemed capital treatment will only apply to gains and losses in a particular income year if certain conditions are satisfied, including the particular Fund qualifying as a MIT for that income year. The impact of making this election is that the net income of the Fund may include realised capital gains and losses on disposals of qualifying investments.

If eligible, Ascalon intends to make the irrevocable election for the Fund 18 months from the date of this PDS, and will monitor the Fund's MIT status on an annual basis to determine whether the Fund continues to be eligible to apply the deemed capital account treatment for that income year.



Additional Information

Fund Constitution

The Fund was established by a Constitution. The Fund's Constitution provides an operational framework for the ongoing management of the Fund. The Constitution (in addition to the Corporations Act 2001 and general law) provides for Ascalon's powers, duties and obligations in respect of the Fund; the limits to our liability; and our right to be indemnified for proper administration of the Fund.

Your rights and obligations as a unit holder in the Fund are also governed by the Constitution for the Fund, the Corporations Act 2001 and the general law relating to trusts. This includes the right to attend unit holder meetings, to make withdrawal requests, receive and reinvest distributions, participate in termination proceeds and lodge complaints.

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.

A copy of the Fund Constitution, which has been lodged with ASIC, is available free of charge by contacting Ascalon or your IDPS scheme operator.

Transfer of Units

Please contact the Administrator if you would like to transfer units. Transferring units may have tax implications (including the payment of stamp duty in New South Wales) and you should consult your taxation adviser before you arrange any transfer of units. Ascalon may in its discretion refuse to register any transfer of units and is not required to give any reasons. Where Ascalon refuses to register a transfer, it may redeem those units in accordance with the Fund's Constitution.

Register of Unit Holders

The register of unit holders is maintained by the Administrator.

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.

You can lodge a complaint to us in writing by email or mail. We will acknowledge your complaint in writing within 14 Business Days and a written response will be provided within 45 Business Days.

If you are still not satisfied, you can refer your complaint to the Financial Ombudsman Service (FOS) at the address below. Ascalon is a member of FOS (member number 12352) which is an external dispute complaints resolution scheme approved by ASIC.

Mail:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

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

Related Party Transactions and Conflicts of Interest

Subject to the Constitution of the Fund, we may appoint any of our related bodies corporate (including Westpac) to provide services (including banking services) or perform functions in relation to the Fund, including acting as our delegate. We may also enter into financial or other transactions with related bodies corporate in relation to the assets of the Fund, and may sell assets of the Fund to, or purchase for the Fund assets from, a related body corporate.

A related body corporate entity is entitled to earn fees, commissions or other benefits in relation to any such appointment or transaction and to retain them for its own account. Such arrangements will be based on arm's length commercial terms.

We may face conflicts in respect of our duties in relation to the Fund, related funds and our own interests. Ascalon has policies and procedures in place to manage these conflicts through either controlling, avoiding or disclosing the conflict. Ascalon must resolve such conflicts fairly and in accordance with the law and its policies. Compliance with the law and conflicts policies is monitored by Ascalon's compliance manager, who reports the Ascalon board and Compliance Committee.

Compliance Committee and Compliance Plan

The Fund has a Compliance Plan which has been lodged with ASIC. It sets out measures that Ascalon is to apply in operating the Fund to ensure compliance with the Constitution. A Compliance Committee has been appointed to monitor compliance by Ascalon with the Constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting Ascalon.

Assessing the Fund

Ascalon will continually assess the performance of the Underlying Fund and the Manager. In assessing Arkx, Ascalon focuses on Arkx's potential for success by evaluating Arkx'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 Arkx in reviewing the performance objectives, corporate governance and risk management standards of the Fund. Ascalon regularly monitors Arkx and conducts formal reviews on a quarterly basis.

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

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 Arkx, and the Administrator and Custodian:

- 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.

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

The Australian Government enacted the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Act) in December 2006. The AML/CTF Act applies to financial services and transactions and is intended to help detect and prevent money laundering and terrorism financing.

Ascalon or the Administrator acting on Ascalon's behalf, may refuse to accept an application in the event of delay or failure to produce any information required.

You should be aware that:

- Ascalon or the Administrator may be required to verify your identity before providing services to you, and from time to time thereafter;
- Transactions may be delayed, blocked, frozen or refused where Ascalon has reasonable grounds to believe that the transaction breaches Australian law or sanctions or the law or sanctions of any other country;
- Where transactions are delayed, blocked, frozen or refused by Ascalon, its related parties and the Administrator are not liable for any loss you suffer (including consequential loss) howsoever caused in connection with the Fund; and
- Ascalon or the Administrator may from time to time require additional information from you to assist Ascalon in this process.

Ascalon has certain reporting obligations pursuant to the AML/CTF Act.

The legislation prevents Ascalon from informing you that any such reporting has taken place. Where legally obliged to do so, Ascalon may disclose the information gathered to regulatory and/or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC), other banks, service providers or to other third parties. We may also share this information with other members of the Westpac Group and any delegate appointed by Ascalon to provide services with respect to your investment in the Fund.

The full AML/CTF terms and conditions are outlined in the Application Form, which must be completed in full.

Privacy Policy

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

Ascalon is committed to ensuring the confidentiality and security of your personal information. Ascalon is bound by the Privacy Act 1988.

If you complete the Application Form, you will be providing personal information to Ascalon 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. Ascalon may also collect personal information (including sensitive information) about you from third parties, to meet its obligations under applicable 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, you may request access to personal information held by Ascalon. You can contact Ascalon for a copy of its privacy policy which sets out how we use and collect your information, when we disclose your information, how you can access that information and receiving marketing information.

If you notify Ascalon 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 Ascalon does not collect or hold 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 policy.

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

Service Providers for the Fund

As at the date of this PDS, Ascalon has appointed service providers (listed on the back cover) for the Fund. The service providers may be changed and added to at any time without notice to investors.

The Custodian and the Administrator

The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (HSBC) has been appointed as the Custodian for the Fund. HSBC's role as Custodian is limited to holding assets of the Fund. HSBC has also been appointed as the Administrator of the Fund. The Administrator is responsible for the general administration of the Fund that includes keeping the register of unit holders, arranging for the issue and redemption of units and calculation of asset valuations and fees.

In accordance with the relevant agreements between HSBC and Ascalon, HSBC 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.

HSBC, in its roles as Custodian and Administrator, was not involved in preparing this PDS, and neither HSBC nor any of its associated entities takes any responsibility for the contents of this PDS. Furthermore, neither HSBC nor any of its associated entities makes any guarantee related to the success or performance of the Fund, the repayment of capital from the Fund, any particular rate of capital or income return from the Fund, or any increase in the value of the Fund.



Completing the Application Form

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

New Investors

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

Existing Investors

If you are an existing investor in the Fund, please specify your current Investor ID and Account ID details in Part 1. 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 11 of the Application Form.

3. Company Details

To be completed by companies 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 in the "Investment Amount" column.

6. Authorised Agent's Authority

7. Privacy Consent Preference

8. Taxation Details

9. Annual Financial Report

10. Distribution Reinvestment

11. Signing Authority

For joint applicants only. Please read and complete.

12. Acknowledgments and Signatures

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

13. Identification

All applications must be accompanied by the specified identification requirements to enable us to verify your identity. These documents are set out in "Identification Requirements for Australian Investors".

Additional Information

Further information about the Fund is available by contacting Ascalon, or by visiting www.ascalon.com.au.

Please read and complete only if applicable

APPLICATION FORM: Arkx Global Clean Energy Fund (ARSN 151 200 501)

Effective 1 July 2011.

For Direct Investors only.

Ascalon Capital Managers Limited (ABN 14 093 660 523, AFSL 300697) ("Ascalon", "our" or "us" in this Application Form) is the Responsible Entity of, and issuer of units in, the Arkx Global Clean Energy Fund ("Fund"). This Application Form is in respect of, and accompanies, the Product Disclosure Statement (PDS) for the Fund. 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 Part 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 Part 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 or 2,4,5,6,7,8,9,10 and 11**

Company / Company Trustee (including superannuation fund) / Company as an executor ▶ **Complete Parts 1 or 3,4,5,6,7,8,9,10 and 11**

IMPORTANT NOTE: ONLY PARTS 5A, 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

Email

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*

Principle 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 code -

Adviser Name

Adviser Signature

Adviser Stamp

3. COMPANY DETAILS

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

ABN/ACN/ARBN*

Type of company (tick appropriate boxes)*

Australian 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)

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

Full name of Minor or Estate (if applicable)*

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

Direct credit

Bank account details: AFS Subscription Trust Account

BSB: 342-011 Account number: 358 348 021

Account name: Arkx Global Clean Energy Fund - Application Account

Bank: HSBC Bank Australia Limited

Arkx Global Clean Energy Fund	Initial ¹ Investment Amount	Additional ² Investment Amount
	A\$	A\$

1. Minimum initial investment is \$25,000.

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

5A. BANK ACCOUNT DETAILS

Redemption and distribution payments (if applicable) will be paid into the account nominated below by way of electronic funds transfer. Please note that this account should be in the applicant's name/s as no third party payments will be allowed.

Account name

BSB

Account Number

Bank

Branch Address

6. AUTHORISED AGENT'S AUTHORITY

Do you wish to appoint an authorised agent to act on your behalf? No ▶ go to 7. Yes ▶ Please download the Agent Authority Form available from www.ascalon.com.au and attach it to this Application Form.

You may appoint an agent to act on your behalf in relation to your investment in the Fund subject to the terms of your appointment of the agent, the terms and conditions set out herein and in any authority form which you complete and provide to us.

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

By signing the application form and appointing an agent as set out in the attached Authority Form, you acknowledge, understand and agree that:

1. My authorised agents can do everything that I/we can do in relation to my/our investment in the fund except alter bank account details or change fee structure;
2. I/we are bound by the terms of this facility as set out in the authority form;
3. I/we will give Ascalon or its service providers (as directed) 10 days written notice of changes to, or revocation of, the appointment of an authorised agent for which this arrangement will continue until the expiry of the 10 day notice period;
4. I/we release and indemnify Ascalon and any other member of the Westpac Banking Group severally from and against all liability which may be suffered by me/us or by Ascalon or brought against Ascalon or any other member of the Westpac Banking Group in respect of any acts or omissions of my/our authorised signatory, whether authorised by me/us or not.

7. PRIVACY CONSENT PREFERENCE

Refer to the PDS under "Privacy Policy" 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 may continue to be provided in certain cases. This information could be provided to you either in written or electronic form. Your answer applies to joint applicants (if applicable).

8. 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 Ascalon 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 Ascalon to apply this Tax File Number previously provided. *(Only applies if the investment is an additional contribution to an existing account).*

9. ANNUAL FINANCIAL REPORT

You can obtain a copy of the Fund's annual financial report from Ascalon'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 below.

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

10. DISTRIBUTION REINVESTMENT

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

- Please do not reinvest my distributions.

11. SIGNING AUTHORITY (Joint applicants only)

Only complete this part if you wish to authorise Ascalon to effect instructions from:

- Any one of the signatories in Part 12 OR
- All of the signatories in Part 12.

12. 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 indemnify Ascalon against any liabilities whatsoever arising out of it acting on any of these details or any future details provided by me/us in connection with this application;
- I/We agree to be bound by the provisions of the Constitution (as amended from time to time) governing the Arkx Global Clean Energy Fund, the provisions of which prevail over the PDS to the extent of any inconsistency;
- 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 "Privacy Policy" 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 received an electronic or paper copy of the current PDS to which this application applies which we have and read and understand the terms contained in the PDS for which this Application Form relates. I/ We acknowledge, agree and consent to be bound by the terms and conditions in the PDS and in this Application Form (to the extent that they also apply to other documents relevant to your investment or application as well). I/we acknowledge that these terms will apply to future transaction unless otherwise varied;
- 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 agree and acknowledge that:
 - o neither Ascalon, Westpac Banking Corporation nor any other member companies of the Westpac Group guarantees the repayment of capital or the performance of the Fund;
 - o investment in the Fund is not an investment in, deposit with, or other liability of, Ascalon, Westpac Banking Corporation or other member companies of the Westpac Group; and
 - o investments in the Fund are subject to investment and other risks, including possible delays in payment of withdrawal proceeds in some circumstances, and loss of income and principal invested;
- I/we confirm that I/we have received and accepted this offer in Australia;
- 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);
- 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 Ascalon 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 Ascalon, 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;

- I/We declare that I/we have the legal capacity and power to make this investment in the Fund in accordance with this Application Form and have complied with all applicable laws in making this application;
- I/we agree that if Ascalon makes an incorrect payment to me/us, Ascalon is entitled to deduct the amount incorrectly paid from my investment in the Fund;
- I/We acknowledge that a person is prohibited from passing on to another person the Application Form unless it is attached to, or accompanied by the complete and unaltered PDS (as varied or supplemented);
- The details of my/our investment can be provided to the adviser group or adviser by the means and in the format that they direct;
- I/We acknowledge that Ascalon retains the right not to provide services/issue products to any applicant that it decides, in its sole discretion, that it does not wish to supply.

Further, Ascalon 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/we will not knowingly do anything to put Ascalon in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, rules and other subordinate instruments AML/CTF Laws. I/We agree to notify Ascalon if I/ we are aware of anything that would put Ascalon in breach of AML/CTF Laws;
- 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 or terrorism financing;
- I/We declare that any proceeds from my/our investment will not be used in relation to any criminal activities or terrorism financing;
- I/We declare that any documents or information used for verification purposes in support of my/our application as identified in "Identification Requirements for Australian Investors" 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 consent to Ascalon, the Administrator, Custodian or Ascalon's agents disclosing in connection with AML/CTF Laws any of my/our Personal Information (as defined in the Privacy Act 1988 (Cth)) they have;
- If requested, I/we agree to provide additional information and assistance and comply with all reasonable requests to facilitate Ascalon's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction;
- 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, Ascalon will not be liable for any loss (including consequential loss) whatsoever as a result of its compliance with the AML/CTF Laws and agree to indemnify Ascalon if it is found liable to a third party in connection with freezing or blocking my/our account; and
- I/We will notify Ascalon 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)



CHECKLIST

Before sending your application to HSBC:

- Have you checked the Application Form to ensure it has been correctly completed?
- Have all applicants signed and dated the Application Form?
- Have all applicants completed an FSC/FPA identification form and supplied certified identification documentation?
- If you are appointing an agent have you completed an Agent Authority Form?

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

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 identification. 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 FSC/FPA identification form for the type of account you are opening. All FSC/FPA identification forms can be found on the Financial Services Council website at www.fsc.org.au¹ or via our website www.ascalon.com.au
- Send the completed FSC/FPA identification form and the relevant attachments to HSBC with your Application Form.

Identification Without an Adviser

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

- Complete the Application Form ensuring all relevant details regarding your identity are completed.
- Complete the relevant FSC/FPA identification form for the type of account you are opening. All FSC/FPA identification forms can be found on the Financial Services Council website at www.fsc.org.au¹ or via our website www.ascalon.com.au
- Attach the completed FSC/FPA identification form to your Application Form with certified copies of the supporting documentation, as set out in the “Identification Requirements for Australian Investors” section overleaf and send to HSBC.

¹These identification forms may be found under the **Financial Services Council Guidance Notes** section of the FSC website. They are part of *FSC Guidance Note No.24 - FSC/FPA Guidance on managing mutual obligations under Chapter 7 of the AML/CTF rules*.

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.

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

Investor Type	Required Documentation
Existing investors (either individuals or corporate)	Assuming the documentation held by Ascalon is valid, i.e. has not expired, then no further documentation is required. Otherwise see below.
Individuals (including trustees, beneficiaries and joint investors)	<p>A certified copy of one of the following (showing a clear copy of the applicant's photograph and signature):</p> <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.
Listed Companies & Regulated Institutions	<ul style="list-style-type: none"> • Certified copy of certificate of incorporation or business registration certificate and (where appropriate) certificate of incorporation on change of name, or documentation showing the entity is listed/ regulated in an approved country (eg extract from the approved exchange/regulator website), see Notes *. • Certified copy of authorised signatory list with specimen signatures. • Certified identification documents for all authorised signatories in line with all of the requirements for "Individuals". • Certified copy board resolution (or extract) evidencing the appointment / authority of the authorised signatories
Other PV (Pension Fund, Hedge Fund, Private Equity Fund, Fund of Funds, Venture Capital Funds)	<ol style="list-style-type: none"> 1. Evidence of formation / incorporation (eg certified copy certificate of incorporation) or certified extract from commercial register. 2. Certified copy register of directors or certified copy extract from regulator's website detailing directors, officers etc, 3. Certified copy authorised signatory list with specimen signatures. 4. Certified identification documents for the following in line with all of the requirements for "Individuals": <ul style="list-style-type: none"> • At least one director • All authorised signatories
Private Companies (Personal Investment Companies, Unquoted Companies)	<ul style="list-style-type: none"> • Certified copy of certificate of incorporation, or business registration certificate and (where appropriate) certificate or change of name. • Certified copy of the register of directors. • Certified evidence of the principal place of business if different from the registered office. Note that a PO Box address is not sufficient. • Certified identification documentation for the following, in line with all of the requirements for "Individuals": <ul style="list-style-type: none"> • Each principal beneficial owner (i.e. any person holding at least a 10% interest or who has principal control over the company's assets). • At least one director. • All authorised signatories. • Certified copy of authorised signatory list with specimen signatures. • Note – if a foreign company is registered with the Australian Securities and Investments Commission (ASIC) a certified copy of the certificate of registration detailing the ARBN is also required.
Partnerships and Unincorporated Businesses	<ol style="list-style-type: none"> 1. Certified copy of the partnership agreement or minutes of a partnership meeting. 2. Original confirmation from the general partner(s) of the full names and addresses (PO Boxes not acceptable) of all partners. 3. Certified identification evidence for the general partner(s) in line with the requirements for "Individuals" or, if the partner is an entity, in line with the requirements for that class of investor. 4. Certified copy of authorised signatory list with specimen signatures. <ul style="list-style-type: none"> • Certified identification documents for all authorised signatories in line with all of the requirements for "Individuals".
Trusts	<p>For both regulated and unregulated Trustees:</p> <ol style="list-style-type: none"> 1. Certified copy of authorised signatory list with specimen signatures. 2. Certified identification documents for all authorised signatories in line with all of the requirements for "Individuals". 3. Additional requirements are as follows: <p>Regulated Trustee in a FATF** country or parent of the Trustee is regulated in a FATF** country</p> <ol style="list-style-type: none"> 1. Extract of authorisation from the relevant regulator. 2. Certified copy of Trust Deed. <p>Unregulated Trustee/Regulated Trustee in a non-FATF** country</p> <ol style="list-style-type: none"> 1. Certified identification evidence for each trustee, named beneficiary, and settlor in line with all of the requirements for a "Private Company" or "Individual". 2. Certified copy of Trust Deed.
Nominee accounts (private bank, investment adviser or nominee company)	<p>Regulated third party or unregulated third party with regulated parent company (subscription on behalf of underlying investor and the third party is located in an FATF** country) :</p> <ol style="list-style-type: none"> 1. Certified copy of certificate of incorporation or business registration certificate and (where appropriate) certificates on change of name. 2. Documentation showing the entity (or parent) is regulated in a FATF** country (eg extract of authorisation issued by the regulator). 3. Certified copy of authorised signatory list with specimen signatures.

** Financial Action Task Force (FATF) - FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. More Information and a list of member countries can be found at www.fatf-gafi.org.

REFERENCES

¹ Australian 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.

Notes:

- Where documents are not in English, a notarised translation from an accredited translator is required.
- 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 two or more years experience), police officer, as Australian consular official, an officer with two or more years service with a financial institution, an officer or authorised representative of a holder of an AFSL, having two 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 and has signed and printed their name on each page requiring certification are acceptable.
- As part of the fund's/trustee's responsibility to comply with any applicable anti-money laundering regulations, the fund/trustee and/or the fund administrator may require detailed verification of an investor's identity and the source of the payment of application monies. The fund administrator (or its delegate) and the fund/trustee reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment.
- Where this application form is sent by fax, the original signed application must also be sent to the address specified. Investors should note that the investment manager and HSBC accept no responsibility for any loss incurred as a result of non-receipt or illegibility of any application sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons.

Important Contacts

RESPONSIBLE ENTITY

For further information on the Fund or any investor enquiries, please contact Ascalon:

Ascalon Capital Managers Limited
ABN 14 093 660 523, AFSL 300697
Level 18, 15 Castlereagh Street
Sydney NSW 2000

Visit our website at:
www.ascalon.com.au

Or send an e-mail to: ascalon@ascalon.com.au

By telephone – (toll free) during business hours
(Sydney time):
1300 303 933

By facsimile:
02 9017 9766

ADMINISTRATOR AND CUSTODIAN

The Hongkong and Shanghai Banking
Corporation Limited, Sydney Branch
ABN 65 117 925 970, AFSL 301737
HSBC Securities Services
HSBC Centre, 580 George Street
Sydney NSW 2000
www.hsbc.com

INVESTMENT MANAGER



Arkx Investment Management Pty Ltd
ABN 71 125 684 166, AFSL 317837
Level 20, Tower 2
201 Sussex Street
Sydney NSW 2000
www.arkx.com

