

A decorative banner spanning the width of the page, featuring a dark brown background with a bright yellow sun or light source on the left, and a small silhouette of a hot air balloon in the center.

Bennelong Avoca Emerging Leaders Fund Product Disclosure Statement

Bennelong Funds Management Ltd
ACN 111 214 085, AFSL No. 296806
ARSN 149 609 781

20 June 2011

Disclaimers and Important Notices

This Product Disclosure Statement (PDS), dated 20 June 2011 relates to the offer to subscribe for Units in the Bennelong Avoca Emerging Leaders Fund ('the Fund') and is issued by Bennelong Funds Management Ltd ('BFM') (Australian Financial Services Licence No. 296806), the Responsible Entity of the Fund. The Fund is a registered managed investment scheme under the Corporations Act.

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 in the Units described, and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors).

References in this PDS to 'we', 'us', 'our', 'the Responsible Entity' and 'BFM' are to Bennelong Funds Management Ltd, the Responsible Entity of the Fund. References to 'you' or 'your' are to investors (and, when the context requires, prospective investors) in the Fund.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors of a master trust, wrap account or an investor directed portfolio service or investor directed portfolio-like services ('IDPS's). Indirect investors investing through an IDPS may rely on the information contained in this PDS instructing IDPS operators to invest in the Fund on their behalf. The Responsible Entity however, accepts no responsibility where the IDPS operator does not provide indirect investors investing through an IDPS with a current version of this PDS or any supplementary or replacement PDS. Indirect investors investing through an IDPS do not acquire the rights of a Unitholder in the Fund. The rights of indirect investors are set out in the IDPS Guide or other offer document for the relevant IDPS.

No person is authorised to give any information or to make any representation in connection with the investment opportunities described in this PDS, which is 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 is prepared for your general information only. You should consider it in deciding whether to apply for Units in the Fund. It is not intended to be a recommendation by the Responsible Entity or the Investment Manager, any associate of the Responsible Entity or the Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor.

Prospective investors should rely upon their own enquiries and analysis as to the merits and risks in relation to the offer and in deciding whether to invest in the Fund.

Neither BFM nor Avoca Investment Management Pty Ltd ('Avoca') or any of their related bodies corporate, associates, officers or affiliates guarantees the performance of the Fund or repayment of capital from the Fund.

Unless otherwise stated, all amounts are in Australian dollars, and all fees are quoted on a Goods and Services Tax ('GST') inclusive basis less any Reduced Input Tax Credits ('RITCs') available to the Fund.

This PDS should be read in conjunction with the Constitution of the Fund, which is available from BFM Client Services (client.services@bennfundsmanagement.com.au).

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. Applications from outside Australia will generally not be accepted.

This offer does not constitute an offer in any jurisdiction in which, or to any person to whom it would be unlawful to make such an offer.

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 BFM's website (www.bennfundsmanagement.com.au). A paper copy of any updated information will be provided free of charge, upon request.

Further information





If you have any further questions relating to the issue of Units in the Bennelong Avoca Emerging Leaders Fund, please contact Client Services on 1800 895 388 or email (client.services@bennfundsmanagement.com.au).

Contents

Section		Page
1	Bennelong Avoca Emerging Leaders Fund – The Fund at a glance	4
2	Issuer, Responsible Entity, Investment Manager, Custodian and Administrator	5
3	The Bennelong Avoca Emerging Leaders Fund	7
4	Investment Risks	9
5	Constitution of the Fund	11
6	Operational Information – Applications, Investing through an IDPS, Redemptions, Pricing, Valuations and Reports	12
7	Fees and Expenses	14
8	Anti-Money Laundering	17
9	Taxation Considerations	18
10	Client Information and Complaints Resolution	20
11	Consents	21
12	Privacy Statement	22
13	Application Form for Initial and Additional Investments	23
14	Glossary	39
15	Directory	40

1 Bennelong Avoca Emerging Leaders Fund

The Fund at a glance

FEATURE	SUMMARY	REFERENCE
Name	Bennelong Avoca Emerging Leaders Fund	
Responsible Entity/Issuer	Bennelong Funds Management Ltd ACN 111 214 085	Section 2
Investment Manager	Avoca Investment Management Pty Ltd ACN 149 651 856	Section 2
Custodian	BNP Paribas Fund Services Australasia Pty Ltd ABN 71 002 655 674	Section 2
Administrator	BNP Paribas Fund Services Australasia Pty Ltd ABN 71 002 655 674	Section 2
Investment Objective	The Bennelong Avoca Emerging Leaders Fund ('the Fund') aims to provide investors with a total return (after fees and expenses) in excess of the S&P/ASX Small Ordinaries Accumulation Index of 3-5% per annum, measured over rolling five-year periods.	Section 3
Investment Policy	The Fund's investment guidelines include a framework of portfolio construction rules, exposure limits and risk management procedures which are outlined further in Section 3.	Section 3
Risks	Relevant risks associated with a fund of this nature are outlined in Section 4.	Section 4
Eligible Investors	Wholesale and Retail Clients as defined by the Corporations Act 2001 (Cth).	
Timeframe	Long term (five years plus).	
Investment Amounts	Initial Investment Minimum: \$20,000 Withdrawal Minimum: \$5,000 <i>Subject to the Responsible Entity's absolute discretion.</i>	Section 6
Fees	The Responsible Entity is entitled to receive a Management Fee of 1.25% per annum of Net Asset Value calculated daily and paid monthly. In addition the Responsible Entity is entitled to a Performance Fee of 17.5% of any amount by which the Fund's return (before fees and expenses) is more than 1.25% per annum greater than the return generated by the S&P/ASX Small Ordinaries Accumulation Index. Certain Fund expenses are recoverable from the Fund.	Section 7
Notice Times	Applications and withdrawal requests need to be received by the Administrator by 2.00 p.m. Sydney time on any Business Day.	
Income Distribution	Income distributions are paid six monthly as at 31 December and 30 June and are paid into your nominated bank account or reinvested back into the Fund.	Section 6
Valuation	The investments of the Fund are generally valued daily and the respective Net Asset Value established as per the Constitution.	Section 6
Contact Details	<p> m: Client Services Bennelong Funds Management Ltd Bennelong House Level 2, 9 Queen Street Melbourne VIC 3000</p> <p> d: 1800 895 388</p> <p> f: (03) 9617 0400</p> <p> e: client.services@bennfundsmanagement.com.au</p>	

2 Issuer, Responsible Entity, Investment Manager, Custodian and Administrator

The Issuer

Bennelong Funds Management Ltd ACN 111 214 085 ('BFM') is the issuer of this PDS. BFM holds an Australian Financial Services Licence (No. 296806) which authorises it to offer and issue interests in unregistered managed investment schemes to Wholesale Clients and to operate particular registered managed investment schemes for Wholesale and Retail Clients.

Responsible Entity

Bennelong Funds Management Ltd ACN 111 214 085 ('BFM') is the Responsible Entity of the Fund.



The Investment Manager

Avoca Investment Management Pty Ltd ACN 149 651 856 ('Avoca') is the Investment Manager for the Fund and is a Corporate Authorised Representative of BFM. The Avoca business commenced in 2011 and is led by John Campbell (Managing Director and Portfolio Manager) and Jeremy Bendeich (Chief Investment Officer and Portfolio Manager).



Agreements

The Responsible Entity and the Investment Manager have entered into an investment management agreement covering the investment management services under which the Investment Manager agrees to act as investment manager, and among other things is entitled to a fee (including Performance Fees) payable by the Responsible Entity, and is generally entitled to be indemnified by the Responsible Entity in respect of liabilities and costs incurred by the Investment Manager acting under the investment management agreement, except to the extent it has acted with fraud, wilful conduct, misconduct, dishonesty or negligence in connection with the relevant liability or cost.

The Administrator and Custodian

The Responsible Entity has appointed BNP Paribas Fund Services Australasia Pty Ltd ('BNP Paribas') ABN 71 002 655 674 as the Administrator and Custodian of the Fund. BNP Paribas is an independently owned fund administration business providing fund managers with an integrated service solution.

The Responsible Entity has entered into an agreement with BNP Paribas ('Administration Agreement'). Under the Administration Agreement, BNP Paribas will perform certain administrative, accounting and Unit registry services and is responsible, under the ultimate supervision of the Responsible Entity, for matters pertaining to the administration of the Fund, namely: (i) calculating the Net Asset Value; (ii) maintaining financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Administrator on behalf of the Fund; and (iii) providing Unit registry services in connection with the issuance, transfer and redemption of Units in the Fund as well as maintaining the Unit registry, certain custody services, including clearing, settlement, stock borrowing and foreign exchange facilities, and other services as agreed by the parties.

Under the Administration Agreement:

- the Fund has agreed to indemnify BNP Paribas, its sub-custodians and agents from and against any and all proceedings, claims, costs, demands, damages, penalties, fines, obligations and expenses of any kind, losses and liabilities that may be imposed on, incurred by or asserted against BNP Paribas, its sub-custodians or agents, in connection with or arising out of the proper performance of the Administration Agreement, except to the extent they have acted with fraud, negligence or default in connection with the relevant liability; and
- BNP Paribas' liability is limited to the Fund's direct damages, expenses and losses to the extent they result from BNP Paribas' fraud, negligence or default in performing its obligations under the Administration Agreement.

The Responsible Entity may replace BNP Paribas as Administrator and Custodian of the Fund in the future without notice to investors.

For the purpose of calculating the Net Asset Value of the Fund and the Units, the Administrator will rely on, and shall not be responsible for the accuracy of, financial data furnished to it by the Investment Manager, the Custodian and/or any independent third party pricing services. The Administrator will not be responsible or liable for the accuracy of information furnished by other persons in performing its services for the Fund. The Administrator in no way acts as guarantor or offeror of the Fund's Units or any underlying investment, nor is it responsible for the actions of the Fund's sales agents, the Custodian, any other brokers, the Investment Manager or the Responsible Entity.

BNP Paribas has no decision making discretion relating to the investment of the assets of the Fund and makes no representation in respect of the Fund or the investment of the assets. It is not responsible for any trading decisions of the Fund (all of which will be made by the Investment Manager).

BNP Paribas will not provide any investment advisory or management services to the Fund and therefore will not be in any way responsible for the Fund's performance. It will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

BNP Paribas is a service provider to the Fund and is not involved directly or indirectly with the organisation, sponsorship, management or other activities of the Fund. The Administrator is not responsible for the preparation of this PDS and neither it, its affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates and sub-delegates accepts any responsibility or liability for any information contained in it.

Certain assets of the Fund will, subject to the following paragraph, be held by BNP Paribas in segregated accounts together with assets deposited by it on behalf of its other customers. Such assets will not be co-mingled with the property of BNP Paribas and should not be available to its third party creditors in the event of its insolvency.

BNP Paribas may appoint sub-custodians, including a member of the BNP Paribas Group, to hold the investments of the Fund.

Fund's Investment Objective

The Bennelong Avoca Emerging Leaders Fund ('the Fund') aims to provide investors with a total return (after fees and expenses) in excess of the S&P/ASX Small Ordinaries Accumulation Index of 3-5% per annum, measured over rolling five-year periods.

Time Horizon

The Fund is managed with the intention of generating returns over the long term (five years plus).

Fund Suitability

The Fund is suitable for investors who:

- are primarily seeking capital growth from a portfolio of Australian small companies stocks;
- are seeking some income via dividends and franking credits; and
- have a high tolerance to investment risk.

Performance

Regular performance updates and ongoing performance can be monitored via the BFM website (www.bennfundsmanagement.com.au).

Investment Guidelines and Policy

In order to achieve the risk/return objectives of the Fund, a variety of strategies are employed in a portfolio of Australian listed companies. The main investment guidelines of the Fund are outlined below.

Authorised investments of this Fund are Australian and New Zealand:

- equities;
- cash;
- convertible notes/hybrid equity instruments;
- options to buy or sell authorised investments; and
- derivative contracts including futures contracts.

Stock universe

The companies within the portfolio will be selected primarily from, but not limited to, the S&P/ASX 300 Accumulation Index, with the majority of investments in securities within the S&P/ASX Small Ordinaries Accumulation Index. The Fund may invest in securities listed on other exchanges where such securities relate to ASX-listed securities.

Stock holdings

The Portfolio will typically hold between 30-70 stocks.

Cash limits

The Fund will not exceed 10% cash holdings other than in the start-up or wind-down phase.

Risk management and exposure limits

Tracking error will typically be between 4-8% on an ex-ante basis.

Maximum net targeted position (Portfolio weight versus market weight) of an individual stock is 6%.

Derivatives

Derivative transactions include instruments such as futures, options on futures, over the counter options, exchange traded options, swaps and forward contracts. The use of derivatives may have a negative impact on the Fund where there is an adverse movement in the underlying asset on which a derivative is based or where a derivative position is difficult or costly to reverse or maintain. The Responsible Entity recognises there are significant risks associated with the investment in derivatives that may be undertaken by the Fund. Investment in derivatives is primarily undertaken for the purpose of managing risk and to achieve the desired investment exposure to an asset or securities without buying or selling the underlying assets or securities. In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

Labour Standards, Environmental, Social and Ethical Considerations

While the Investment Manager's criteria for the selection, retention or realisation of investments does not explicitly exclude investment on grounds of labour standards, or environmental, social or ethical considerations, the Responsible Entity and the Investment Manager take the view that the performance of the Fund may be adversely affected by investment in the shares of companies that fail to adhere to appropriate labour standards, or environmental, social or ethical values. Accordingly, where relevant information is available, the Investment Manager takes such standards and values into account to that extent.

How the Fund works

The Fund is a registered managed investment scheme. Investors' funds are pooled and managed in accordance with a set objective and strategy. When you invest in the Fund, you acquire Units. Each Unit entitles the Unitholder (i.e. investor) to a proportionate beneficial interest in the Fund's portfolio of assets.

The Constitution 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.

A Unit does not give you any interest in any underlying asset in the Fund. The potential for financial gain is made through investors receiving distributions, and any increase in capital value of their Units (if the Unit price is higher than the price at which the investor purchased them).

Investing in a managed investment scheme can offer a number of benefits, including:

- **increasing purchasing power** – the size of a managed investment scheme means it can generally buy and sell assets at a lower cost than an individual investing directly;
- **investment opportunities** – managed investment schemes give you the opportunity to access a range of assets that you may not normally access as an individual investor; and
- **professional investment management** – your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

Most managed investment schemes are structured so that you buy units in the fund. The number of Units in the Fund you will receive is dependent on the amount of money invested and the Unit price at the date of application.

The value of your investment is calculated by multiplying the number of Units you hold in the Fund by the applicable Unit price at that time (see page 12, 'Unit Prices').

Investment Strategy and Portfolio Formation

Avoca's investment process aims to consistently deliver above-benchmark returns over the medium to long term, while controlling risk within appropriate parameters. Avoca seeks to identify stocks that are trading at a discount to the team's assessment of intrinsic value.

Avoca's team of highly experienced analysts undertakes comprehensive, ongoing research to assess the future cash flows and relative valuations of the stocks in their investment universe. To this end, the team undertakes deep fundamental research on companies and industries to facilitate its estimates of each stock's intrinsic value. This is the prime determinant of stock selection.

4 Investment Risks

Risks

There is no risk-free investment – even the most conservative cash account is susceptible to the risk of inflation, over time, eroding the real value (or purchasing power) of your money.

The Fund invests predominantly in Australian small companies shares, a growth asset class which is susceptible to short-term volatility.

No guarantee is provided on the performance of the Fund, that distributions will be made or that the capital value of an investment in the Fund will increase or be maintained.

The Fund is not a complete investment program. Prospective investors need to assess the risks and their own financial position in determining whether an investment in the Fund is suitable for them. Prospective investors should seek professional advice before investing. Prospective investors should rely upon their own enquiries and analysis to the merits and risks in relation to the offer and in deciding whether to invest in the Fund.

How to Reduce Investment Risk

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

1 investing for an appropriate length of time

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

2 diversification

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

Choosing the Right Fund for Your Risk Level

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

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

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

Significant Risks of Investing in the Fund

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

The following risks should be carefully evaluated before making an investment in the Fund.

Market Risks

Past performance is not a reliable indicator of future performance.

The investments of the Fund largely comprise exchange-traded shares and related securities, the ownership of which carries an inherent risk element. Unit values reflect the market value of the assets of the Fund, and consequently may rise and fall in line with market variations.

Macro-Economic Risks

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may influence the progress of financial markets and individual companies.

Company-Specific Risks

In addition to the risks outlined above, the progress of individual companies may be affected by changes in factors such as the competitive environment in which they operate, technology, personnel and consumer preferences.

Operational Risks

The custody and investment administration of the Fund has been outsourced to BNP Paribas Fund Services Australasia Pty Ltd. The custodial operations of BNP Paribas Fund Services Australasia Pty Ltd are subject to regular review and reporting by external audit, however, by itself this review does not prevent breakdown of operations and procedures. The Responsible Entity is satisfied that BNP Paribas Fund Services Australasia Pty Ltd has in place adequate internal controls for its custody and investment administration operations.

Counterparty Risk

This is the risk associated with entering into derivative transactions or over-the-counter instruments with parties who may not meet their contractual obligations and default when settlement is due. In order to minimise this risk, the Responsible Entity will only enter into transactions with a counterparty that is an established Exchange or a recognised institution.

Regulatory Risks

All investments carry the risk that their value may be affected by changes in laws especially taxation laws.

Borrowings

The Constitution provides that the Responsible Entity may undertake borrowings on behalf of the Fund. No borrowings are intended or undertaken other than on a temporary basis to fund purchases and other outgoings where unsettled sales are outstanding.

Fee Structure

The Responsible Entity may receive compensation based on the performance of the investments of the Fund. These arrangements may create an incentive for the Responsible Entity to make more speculative or higher risk investments than might otherwise be the case.

Concentration Risk

The Fund's typical portfolio holdings of 30 to 70 stocks represents high investment concentration. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility.



5 Constitution of the Fund

The Fund was established under a constitution dated 28 February 2011. The Constitution sets out provisions for the establishment of the Fund as a trust, the appointment of and powers of the Responsible Entity, the concept of Units and the rights of Unitholders, the application for and redemption of Units, the calculation of application and redemption prices, the entitlement to and calculation of distributions, the entitlement to fees and expenses, the custody and valuation of assets and other matters including liability, audit, meetings, complaints and Unit register.

BFM's responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution for the Fund as well as general trust law. Copies of the Constitution of the Fund are available, free of charge, on request from BFM.

Please call 1800 895 388 to request a copy or email (client.services@bennfundsmanagement.com.au).

Changes to the Fund

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

Information that is not materially adverse is subject to change from time to time. Up-to-date information can be obtained from the BFM website (www.bennfundsmanagement.com.au), by calling Client Services on 1800 895 388, or emailing us (client.services@bennfundsmanagement.com.au).

A paper copy of the updated information will be provided to you without charge, on request.

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

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

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

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

Applications

Investors must complete the Application Form attached to this PDS to apply for Units in the Fund. The Responsible Entity may accept or reject an application at their absolute discretion. Unless the Responsible Entity decides otherwise, an initial application for Units must be for a minimum investment of \$20,000.

Applications can be made by completing the attached Application Form and forwarding it to the Administrator at the address shown on the Application Form. Cleared funds must be electronically transferred from an Australian bank account which is in the name of the investor into the account shown on the Application Form.

Both the cleared funds and the Application Form must be received no later than the Deadline (2.00 p.m. Sydney time) on a Business Day and Units will be issued at the application price applicable as at the close of that Business Day. An Application Form and cleared funds received after the Deadline on a Business Day will be treated as received on the next Business Day.

Investors should note that the Responsible Entity accepts no responsibility for any loss caused as a result of non-receipt of any application or cleared funds.

Applications are accepted at the absolute discretion of the Responsible Entity. Interest is not payable on rejected application monies.

When an application is accepted, an investment advice will be forwarded outlining:

- date of acceptance;
- amount invested in the Fund; and
- number of Units issued, the Unit Application Price and the holding balance.

Investing through IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a Unitholder. 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 Unitholder.

Unitholder rights include the right to attend Unitholder meetings, to make withdrawal requests, receive and reinvest distributions, participate in termination proceeds and lodge complaints. Your rights and liabilities will be governed by the terms and conditions 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, not BFM. Enquiries should be directed to that operator.

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

How to Redeem

Investors may request the redemption of all or part of their investment at any time by lodging a redemption request with the Administrator. Unless the Responsible Entity decides otherwise, redemption requests must be for a minimum of \$5,000.

Redemption requests received no later than the Deadline (2.00 p.m. Sydney time) on a Business Day will be redeemed at the redemption price applicable as at the close of that Business Day. Redemption requests received after the Deadline on a Business Day will be treated as received on the next Business Day.

The Responsible Entity intends that Units will be normally redeemed and payment made within 14 days of the receipt of the redemption request, however, the Constitution allows up to 30 Business Days for such redemption and payment to take place.

Redemptions will be made by electronic funds transfer to the bank account in the name of the investor from which the subscription funds derived. Note that normal bank charges apply.

The Responsible Entity may pro-rata redemption requests received on any Business Day to ensure that only 25% (or such percentage as the Responsible Entity may determine) of the value of any class of Units is redeemed on any Business Day.

The Constitution permits the Responsible Entity to suspend redemptions for a reasonable period ('Suspension Period') in certain situations which generally impact on the effective and efficient operation of a market for an asset of the Fund. An investor's redemption request lodged during a Suspension Period is deemed to be lodged immediately after the end of that Suspension Period.

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

Unit Prices

The current 'application price' and 'redemption price' for the Fund may be obtained by visiting the BFM website (www.bennfundsmanagement.com.au), or by telephoning Client Services on 1800 895 388. Generally Unit prices are calculated for each Business Day at close of business on that day and are equal to the Net Asset Value Per Unit. The application price is higher than the redemption price. The difference is called a 'buy-sell spread'. Please refer to the 'Fees and Expenses' section for further information.

A copy of the Responsible Entity's description of the formula and method it uses for determining Unit prices, the discretions exercised by the Responsible Entity and its nominees in respect of determining Unit prices and the documented policy in respect of such discretions (pursuant to ASIC Class Order 05/26) is available from the Responsible Entity free of charge.

Authorised Agent

You may appoint an agent to act on your behalf in relation to your investment in the Fund.

Your agent will have the authority to act in exactly the same manner as you, except that your agent cannot:

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

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

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

The Responsible Entity may vary the powers of your agent or cancel their authority at any time.

Income Distributions

Income distributions are paid six monthly as at 31 December and 30 June. The amount of the income distribution may vary and will usually consist of interest, dividends and net realised capital gains. The amount of the income distribution for the Fund is generally calculated by accumulating all income earned by the Fund for the period, taking into account taxable gains and losses, and then deducting all expenses incurred and any provisions that are considered appropriate to the Responsible Entity.

The income to be distributed is then divided by the total number of Units on issue at the end of the distribution period to determine the cents per Unit distribution rate. Details relating to any tax free or tax deferred components, imputation credits or capital gain components for all distribution payments made during the year will be forwarded to Unitholders shortly after the end of each financial year. All income distributions are paid in Australian dollars.

Income Payments

Income may be paid by either of the following methods:

- direct transfer to a nominated Australian bank account; or
- reinvestment to purchase additional Units.

Investors need to complete the appropriate section in the Application Form to elect their choice. If there is no notification of method of payment on the Application Form (or subsequent notification), income distributions will be reinvested.

There is no charge applied to income distributions which are reinvested. The issue price that will apply to Units from such reinvestment will be the application price before application of the buy/sell spread after distribution.

Reinvestment will be effected on the first Business Day after the close of each accrual period.

Cooling-off Period

Retail clients 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 fifth Business Day after the day on which BFM issues the Units to you. Any contribution fee and the realised market value of the Units will be refunded, less any taxes and reasonable administrative costs.

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

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

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

Reports and Statements

Unitholders will be provided with the following reports:

- application and redemption confirmation statements;
- Unitholder monthly statements;
- audited accounts, annually;
- income distribution, half-yearly; and
- tax statements, annually.

Indirect Investors

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

7 Fees and Expenses

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.

Find out more

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

Fees and other costs

The following table shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole. Taxes are set out in Section 9 of this document. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	No fee is charged.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	No fee is charged.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	No fee is charged.
<i>Termination fee</i> The fee to close your investment	Nil	No fee is charged.
Management costs		
The fees and costs for managing your investment		
<i>Management fee</i>	1.25% p.a. of the net asset value of the Fund	The management fee is calculated and accrued daily and paid monthly in arrears from the Fund's assets. The fee is paid directly from the Fund's assets and reflected in the daily Unit price.
<i>Performance fee</i>	17.5% of any amount by which the Fund's return (before fees and expenses) is more than 1.25% p.a. greater than the return generated by the S&P/ASX Small Ordinaries Accumulation Index.	The performance fee is calculated at each Valuation Time (generally daily but may be at different times) and is generally paid quarterly. The fee is paid directly from the Fund's assets and reflected in the daily Unit price.
<i>Expenses</i>	All expenses properly incurred by the Responsible Entity in connection with the Fund or its obligations are payable from the Fund. The Responsible Entity currently pays for expenses out of the management fee, but it reserves the right to recover expenses that it deems to be unusual or non-recurrent (for example formation costs and expenses for Unitholder meetings).	Estimated yearly and pro-rated monthly. The expenses (if any) are deducted from the Fund's assets and are reflected in the daily Unit price.

Management Fee

The Responsible Entity is entitled to receive a management fee equal to 1.25% per annum of the Net Asset Value calculated and accrued daily and payable monthly within 21 days after the end of the month. Under the investment management agreement under which the Investment Manager is appointed as investment manager, they are entitled to receive a fee. The Responsible Entity intends to pay the Investment Manager's fee out of the management fee to which the Responsible Entity is entitled.

Performance Fee

In addition to the fixed management fee, a 'Performance Fee' may be payable to the Responsible Entity in respect to the Fund. This fee is only payable where the Fund's return (before fees and expenses) outperforms the return generated by its benchmark – the S&P/ASX Small Ordinaries Accumulation Index – by more than 1.25% per annum ('outperformance'). The performance fee is set at 17.5% of that outperformance.

The fee is calculated at each Valuation Time (which will generally be at the close of each Business Day, but may be any other time the Responsible Entity determines) as 17.5% of the outperformance multiplied by the Fund's Asset Value for the previous day, and is paid quarterly. However, the performance fee will not be paid where the Fund's return over a quarter is negative. Instead the performance fee will be carried forward as an accrual in the Unit price and will not be paid until the Fund's return over a subsequent quarter is positive. The Unit price is reflective of accrued performance fees.

If at any Valuation Time, the Fund's return is less than the benchmark, the Responsible Entity will be entitled to the performance fee already accrued (and will not be required to repay performance fees already accrued and/or paid) but will not become entitled to accrue further performance fees until the Fund's overall return (before fees and expenses) measured over the period since commencement of the Fund, is more than 1.25% per annum greater than the return generated by the S&P/ASX Small Ordinaries Accumulation Index.

General

The Constitution sets out the fees and expenses payable by the Fund. The Constitution permits higher management fees and performance fees to be charged as well as other fees (such as an entry fee, administration fee and exit fee) which are not currently levied. You will be given written notice 30 days in advance of any variation of fees and costs charged by the Fund. Some fund expenses are recoverable from the Fund's assets. All fees and expenses will be pro-rated monthly.

Note

The management fees and performance fees are based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses may never be realised.

The Responsible Entity or the Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Unitholders or their agents or to intermediaries, part or all of the management fee. Any such rebates may be applied in paying up additional Units to be issued to the Unitholder. The Responsible Entity may from time to time and at its sole discretion also waive all or part of the management fee for certain Unitholders. This may be effected by the issue of separate classes of Units, or otherwise.

Buy/Sell Spread

The buy/sell spread is an adjustment to the Unit price. It represents a contribution to the transaction costs (such as brokerage) incurred when assets are bought and sold by the Fund. The current buy/sell spread is +/- 0.30% of the value of Units being bought and sold. This charge is levied to investors transacting rather than investors remaining in the Fund and is retained in the Fund, not paid to the Responsible Entity.

Expenses

All expenses properly incurred by the Responsible Entity in connection with the Fund (including the establishment of the Fund) or in performing the Responsible Entity's obligations under the Constitution are payable or can be reimbursed out of the Fund. These expenses include administration, custodial, transaction, accounting, audit, government charges, taxation, adviser, filing, postage, courier, facsimile, photocopy, telephone, printing and establishment expenses. All operational expenses are estimated on a yearly basis and prorated monthly over the year.

Formation costs incurred in establishing the Fund will be paid for by the Fund, however, the Responsible Entity reserves the right to expense these costs over a period longer than 12 months from the commencement of the Fund if the Responsible Entity believes that such treatment is more equitable. The Responsible Entity also reserves the right to expense other costs over a period longer than 12 months from when they are incurred. Accordingly, the auditor's opinion of the Fund's financial statements may contain a qualification in respect of this treatment.

There is no limit in the Fund's constitution on the amount of expenses that may be reimbursed out of the Fund, but the Responsible Entity currently chooses to pay for expenses out of the management fee, but it reserves the right to recover expenses that it deems to be unusual or non-recurrent. These unusual or non-recurrent expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. They are due to abnormal events like the Fund formation costs, the cost of running a Unitholder meeting, or legal costs incurred by changes in the Fund's Constitution.

All expenses properly incurred by the Responsible Entity in connection with the Fund or its obligations are payable from the Fund's assets. The amount of expenses payable from the Fund's assets is unlimited.

7 Fees and Expenses

Goods and Services Tax ('GST')

All fees and expenses referred to in this Section 7 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund (refer Section 9).

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.

Administration Fees

BFM 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 BFM and not by the Fund. It is not charged out of the assets of the Fund and is not a separate additional charge to investors.

Example of Annual Fees and Costs for the Fund

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

Example		Balance of \$50,000 with a contribution of \$5,000 during year
<i>Contribution fees</i>	Nil	For every additional \$5,000 you put in, you will be charged nil.
PLUS <i>Management costs</i>	Management fee: 1.25% p.a. Performance fee: 17.5% of the estimated 'outperformance'; Expenses: Nil	And , for every \$50,000 you have in the Fund you will be charged \$887.50* [#] each year.
EQUALS <i>Cost of fund</i>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of between: \$887.50*[#] and \$976.25[^]# What it costs you will also depend on the fees you negotiate with the Fund or financial adviser.

* The \$887.50 comprises the management fee (\$625, being \$50,000 x 1.25%) and performance fee (\$262.50, based on outperformance of 3%, and being \$50,000 x 3% x 17.5%). It assumes the additional \$5,000 was invested at the end of the year.

[^] The \$976.25 assumes the additional \$5,000 was invested at the beginning of the year. It comprises the management fee (\$687.50, being \$55,000 x 1.25%) and performance fee (\$288.75, based on outperformance of 3%, and being \$55,000 x 3% x 17.5%).

[#] Additional fees may apply. Please refer to the explanation of 'buy/sell spread' on page 15.



Anti-Money Laundering

As part of anti-money laundering responsibilities required by legislation, the Responsible Entity, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Responsible Entity may refuse to accept an application for Units or may suspend payment of withdrawal proceeds payable to a Unitholder.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.



General

The following taxation information is of a general nature and should not be relied upon by investors. The information provided is based on applicable Australian tax laws as at the date of this Product Disclosure Statement. As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The taxation information below provides a guide for Australian tax resident investors only who hold their Units as long-term investments on capital account. This information is not appropriate to other persons, including non Australian tax residents and Australian tax residents who do not hold their Units as long-term investments on capital account.

Tax Position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine net income annually at 30 June. Generally, no Australian income tax will be payable by the Fund, as it is the intention that the net income of the Fund will be distributed in full each year by 30 June to Unitholders who have a present entitlement to the net income of the Fund.

If, for any reason there is net income to which no investor is presently entitled, the Fund will pay tax on this income at the top marginal rate plus the Medicare Levy. In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to Unitholders. It may be available for recoupment against net income in future years subject to certain conditions.

The Fund will be making/has made a capital account election. This election allows a 'Managed Investment Trust' to hold eligible assets (such as shares in a company, units in a unit trust and land, including an interest in land) on capital account, so that the subsequent disposal of those assets will be subject to the Capital Gains Tax regime, rather than the proceeds being treated as ordinary income.

Consequently, unitholders may be concessionally taxed in respect of these gains due to the capital gains discount which is available to individuals and trusts (up to a discount of 50%) and complying superannuation funds (up to a discount of 33 $\frac{1}{3}$ %) where the asset has been held for more than 12 months.

The Government has announced a proposal to implement a new tax system for managed investment schemes. It is proposed that these changes will take effect from 1 July 2012. However, it should be noted that at the date of this PDS these changes are merely proposals and are not yet law.

The Fund may derive franking credits from the receipt of franked dividends. The eligibility of the Fund to distribute franking credits is subject to certain conditions such as the holding period rule. An investor's individual circumstance will also be relevant in determining whether an entitlement to franking credits exists.

After the Fund's year end, the investors will receive an annual statement detailing the composition of their distributions they have received from the Fund during the year, including any capital gains, dividends and franking credits.

Tax Position of Australian Resident Investors

Distributions

Generally, an investor's entitlement to net income for any year including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement arises. Tax may be required to be withheld from distributions at the top marginal rate plus the Medicare Levy if an investor does not quote a Tax File Number (TFN), TFN exemption or Australian Business Number (ABN).

An investor may be entitled to a capital gains discount where the investor's entitlement to net income includes an entitlement to a capital gain arising from the realisation of an investment by the Fund. The discount will generally be available where the investor is an individual, trust or complying superannuation fund, provided that the Fund held the investment continuously for 12 months and other conditions are met. Companies are not entitled to this discount.

Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss, or as ordinary income depending on the investor's particular circumstances. Where treated as a capital gain or loss, individuals, trusts and complying superannuation funds may be entitled to a capital gains discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

The Fund may distribute non-assessable amounts which are generally not subject to tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base and reduced cost base of the investors' investment in the Fund or give rise to an immediate capital gain if the tax cost base is nil.

9 Taxation Considerations

Goods and Services Tax ('GST')

The GST information provided is general in nature and we recommend that you seek your own professional advice on how GST will impact your investments in the Fund.

The issue and redemption of Units in the Fund by investors will not be subject to GST. The Fund will be registered for GST. Generally, GST will be paid by the Fund on its fees and expenses and the Fund will be entitled to claim input tax credits and reduced input tax credits of at least 75% of the GST paid in respect of certain of these expenses. The benefit of any GST recovered by the Fund will be reflected in the Unit price.

Fees and expenses in Section 7 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund.

The government has announced a substantive review into the GST financial services rules. The review may change how funds are taxed for GST purposes in the future and lead to different GST consequences to those set out above.

Your Rights

Your rights as a Unitholder in the Fund are governed by the Constitution for the Fund and the law.

They include the right to:

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

You do not have the right to participate in the management or operation of the Fund.

The Constitution contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

Complaints Resolution

Bennelong Funds Management Ltd has an established complaints handling process and we aim to properly consider and resolve all complaints within 30 days. If you have a complaint about your investment, please contact us in writing using the details below:

Complaints Officer

Bennelong Funds Management Ltd

Bennelong House
Level 2, 9 Queen Street
Melbourne Vic 3000

Email: complaints.officer@bennfundsmanagement.com.au

If you are not satisfied with our response to your complaint, you may lodge a written complaint with the Financial Ombudsman Service for an independent review of your matter.

Financial Ombudsman Service

GPO Box 3
Melbourne Vic 3001
Telephone: 1300 780 808
Facsimile: (03) 9613 6399
Email: info@fos.org.au
Web: www.fos.org.au

This external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it is important that you contact us in the first instance so we can address your concerns.

Adviser Enquiries

If you have an adviser, they may ask BFM to provide them with information about your investment. BFM'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.

11 Consents

BNP Paribas, Deloitte Touche Tohmatsu and DLA Piper have given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS for the Bennelong Avoca Emerging Leaders Fund in the form and context in which they are named.



12 Privacy Statement

The Application Form attached to this PDS requires you to provide personal information. This information is required in order that the Responsible Entity can provide the investment to you. Additionally, the Responsible Entity may use this information in order to administer, manage and generally service your investment in the Fund including any requirement to comply with Australian taxation laws, the Corporations Act and other laws and regulations.

The Responsible Entity may disclose your personal information for permitted related purposes to their agents and third party service providers and government authorities when required by law.

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

Under the Privacy Act (Commonwealth) you may request access to the personal information the Responsible Entity and its service providers hold about you.

You can request access to your personal information by telephone or writing to the Responsible Entity at:

Bennelong Funds Management Ltd

The Responsible Entity of the
Bennelong Avoca Emerging Leaders Fund
Bennelong House
Level 2, 9 Queen Street
Melbourne Vic 3000
Telephone: 1800 895 388

Bennelong Avoca Emerging Leaders Fund

Application Process

- Step 1 Complete Sections 1 to 3 of the Application Form.
- Step 2 Read and Sign Section 4 – Declaration and Signatures.
- Step 3 Complete Section 5 – Identification Documents.



Step 1

Complete Application Form

Effective 20 June 2011

Bennelong Avoca Emerging Leaders Fund Application Form

Responsible Entity: Bennelong Funds Management Ltd (ACN 111 214 085) (AFSL 296806)

All applications must be sent to Bennelong Funds Management Ltd care of our Administrator:

BNP Paribas Fund Services Australasia Pty Ltd

PO Box R209, Royal Exchange NSW 1225

Section 1 – Investor Type

Are you an existing investor with Bennelong Funds Management Ltd?

Yes, my investor number is No

If you are an existing investor, please complete Sections 1, 3 and 4. If your details have changed, please complete all parts of the Application Form.

Section 2 – Applicant Details

Please indicate who is making the investment.

Investor Type	Go to	Page
<input type="radio"/> Individual/Joint/Sole Trader	Section 2A	page 24
<input type="radio"/> Company	Section 2B	page 25
<input type="radio"/> Trust/Superannuation Fund with Individual Trustee	Sections 2A and 2C	page 24 and page 28
<input type="radio"/> Trust/Superannuation Fund with Corporate Trustee	Sections 2B and 2C	page 25 and page 28
<input type="radio"/> Partnership	Sections 2A and 2D	page 24 and page 29
<input type="radio"/> Agent of Customers	Section 2E	page 30

If you do not fall into any of the above categories, please complete Sections 1, 3 and 4 of this Application Form, and contact us on 1800 895 388 for the relevant Section 2 that is applicable to you.

Section 2A – Individual/Joint Investors/Sole Trader/Individual Trustee

Investor A/Individual Trustee

Full name Title (Mr/Mrs/Miss/Ms) Date of birth DD / MM / YYYY

Tax File Number or Exemption Code (not required for Individual Trustee or Partner)

It is not compulsory to provide your Tax File Number (TFN). Without your TFN, or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Country of residence for tax purposes (not required for Individual Trustee or Partner)

Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Full business name (if sole trader)

ABN

Residential address (not PO Box)

Suburb

State

Postcode

Country

Step 1

Complete Application Form

Effective 20 June 2011

Principal place of business (if sole trader)

Suburb

State

Postcode

Country

Investor B

Full name

Title (Mr/Mrs/Miss/Ms)

Date of birth

Tax File Number

or Exemption Code (not required for Individual Trustee or Partner)

It is not compulsory to provide your Tax File Number (TFN). Without your TFN, or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Country of residence for tax purposes (not required for Individual Trustee or Partner)

Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Full business name (if sole trader)

ABN

Residential address (not PO Box)

Suburb

State

Postcode

Country

Principal place of business (if sole trader)

Suburb

State

Postcode

Country

For joint applicants indicate authorisation required for withdrawals.

Either to sign

Both to sign

*If no election is made 'both to sign' will be assumed.

All investors – please proceed to Section 3.

Section 2B – Company/Corporate Trustee

Full company name

ACN or ARBN (if any)

TFN, ABN or Exemption Code (if any)

It is not compulsory to provide your Tax File Number (TFN). Without your TFN, or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Country of residence for tax purposes

Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Country of formation, incorporation or registration

Step 1

Complete Application Form

Effective 20 June 2011

Name of regulator (if licensed by an Australian Commonwealth, State or Territory statutory regulator)

Licence details

Name of two directors and date of birth:

Director 1

Date of birth

DD / MM / YYYY

Director 2

Date of birth

DD / MM / YYYY

Registered business address in Australia or country of formation

Suburb

State

Postcode

Country

Principal place of business (if a local agent is used, please also provide the name of the local agent)

Suburb

State

Postcode

Country

If an Australian company, registration status with ASIC:

Proprietary company Public company

If a foreign company, registration status with the relevant foreign registration body:

Private/Proprietary company Public company Other (please specify)

Name of the relevant foreign registration body

Foreign company identification number

If an Australian or foreign company, is the Company listed?

Yes No

Name of market/exchange

Is the Company a majority-owned subsidiary of an Australian listed company?

Yes No

Name of Australian listed company

Name of market/exchange

Step 1

Complete Application Form

Effective 20 June 2011

If the Company is registered as a proprietary company by ASIC or a private company by a foreign registration body, please list the name of each director of the company:

Director 1

Director 2

Director 3

Director 4

If there are more than 4 directors, please write their full names on a separate page and attach to this Application Form.

If the Company is an Australian proprietary company or a foreign private company which is not regulated, please provide details below for each individual who owns, through one or more shareholdings, more than 25% of the Company's issued capital:

Shareholder 1

Full name

Residential address (not PO Box)

Suburb

State

Postcode

Country

Shareholder 2

Full name

Residential address (not PO Box)

Suburb

State

Postcode

Country

Shareholder 3

Full name

Residential address (not PO Box)

Suburb

State

Postcode

Country

If there are more shareholders, please write their full names and residential addresses on a separate page and attach to this Application Form.

Please proceed to Section 3.

Step 1

Complete Application Form

Effective 20 June 2011

Section 2C – Trust/Superannuation Fund

Trust details

Full name of Trust/Superannuation Fund

Full business name of Trustee (if any)

Country in which the Trust/Superannuation Fund was established

TFN, ABN or Exemption Code

It is not compulsory to provide your Tax File Number (TFN). Without your TFN, or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Country of residence for tax purposes

Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Type of Trust

Category A Registered managed investment scheme ARSN

Category B Foreign Superannuation Fund

Category C Regulated trust (e.g. self-managed superannuation fund)

Name of regulator (e.g. ASIC, APRA, ATO)

ABN

Registration/licensing details

Category D Government Superannuation Fund

Name of the legislation establishing the Fund

Category E Other trust type

Trust description (e.g. family, unit, charitable)

Complete if the Trust falls under Categories B or E

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

Yes

Please provide details of membership class(es) (e.g. Unitholders, family members of named person, charitable purposes)

No

Please provide full names of all company and individual beneficiaries below:

Beneficiary 1

Beneficiary 2

Beneficiary 3

Beneficiary 4

If there are more beneficiaries, please write their full names on a separate page and attach to this Application Form.

Trustee details (all investors)

If Individual Trustees, please complete Section 2A in respect of one of the Individual Trustees.

If Corporate Trustees, please complete Section 2B in respect of one of the Corporate Trustees.

Please proceed to Section 3.

Step 1

Complete Application Form

Effective 20 June 2011

Section 2D – Partnership

Partnership details

Full name of Partnership

Registered business name of Partnership (if any)

Country in which the Partnership was established

TFN, ABN or Exemption Code

It is not compulsory to provide your Tax File Number (TFN). Without your TFN, or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Country of residence for tax purposes

Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Type of Partnership

Is the Partnership regulated by a professional association?

Yes

No

Please provide partner names and contact details below.

Name of association

Membership details

Number of partners

Partner 1

Full name

Residential address (not PO Box)

Suburb

State

Postcode

Country

Partner 2

Full name

Residential address (not PO Box)

Suburb

State

Postcode

Country

If there are more partners, please write their full names and residential addresses on a separate page and attach to this Application Form.

Partner details (all investors)

Please complete Section 2A in respect of one of the Partners.

Please proceed to Section 3.

Step 1

Complete Application Form

Effective 20 June 2011

Section 2E – Agent of Customers

Please complete Part I below if the investment is made through an individual authorised agent (i.e. if investment instructions provided to us are made by the individual authorised agent on behalf of the investor).

For a non-individual investor, please complete Part II below if a verifying officer has been appointed to liaise with the authorised agent in relation to this Application.

Part I – Individual authorised agent appointed

Full name of agent

Agent's company name (if any)

Licence Number or Authorised Representative Number (if any)

Contact details of agent

Phone

Facsimile

Email

Postal address (not PO Box)

Suburb

State

Postcode

Country

Part II – Verifying officer appointed

It is the agent's responsibility to notify the investor that the verifying officer has specific obligations under the anti-money laundering laws in force in a number of jurisdictions including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, (Cth) ('AML/CTF Laws'). In completing and signing this Application as authorised agent for the investor, you agree to notify the investor that the verifying officer is required to:

- collect the following: full name of the agent; position title or role held by the agent in relation to the investor; a copy of the agent's signature; and evidence that the agent is authorised to act for the investor;
- make a record of the above information; and
- provide us with the full name of the agent and a copy of the agent's signature if requested to do so.

You also agree to inform the investor that they must retain the records made by the verifying officer.

Full name of verifying officer

Title (Mr/Mrs/Miss/Ms)

Date of birth

Residential address (not PO Box)

Suburb

State

Postcode

Country

All investors – please proceed to Section 3.

Step 1

Complete Application Form

Effective 20 June 2011

Section 3 – General Details

Section 3A – Investor Contact Details

Adviser details not accepted. Joint applicants will be assumed to be joint tenants unless otherwise specified.

Name

Postal address (c/- if applicable)

Suburb

State

Postcode

Country

Phone (H)

Phone (W)

Mobile

Facsimile

Email

Section 3B – Investment Details

Please note that the minimum investment amount is \$20,000.

Application amount

\$

I/We wish to apply the above amount to Units in the Bennelong Avoca Emerging Leaders Fund at the prevailing application price.

Please indicate how payment will be made:

TT

Electronic Funds Transfer

Cheques (see below)

Application monies can be received electronically into the following account as cleared funds.

Bank/Institution

BSB number

Account number

Swift code

Sub A/C name

Fund reference

Please make cheques payable to: Cogent Nominees P/L ACF Bennelong Avoca Emerging Leaders Fund.

Please include investor name and address on the back of the cheque.

Please send application form and cheque to: BNP Paribas Securities Services
Attention: Unit Registry
PO Box R209
Royal Exchange NSW 1225

Section 3C – Bank Account Details

You must provide us with your current bank account details as redemption and distribution (if applicable) payments are required to be paid into this bank account. The account must be held in the same name as the account holder supplied in Section 2. The bank account must be domiciled in Australia and denominated in Australian dollars.

Please tick the relevant box below to ensure your distributions are processed accordingly. If no election is made income distributions will be reinvested.

- Please reinvest my distributions.
- Please pay my distributions into the bank account detailed below.

Details of Bank or other Australian Financial Institution

Bank/Institution

Address

Account name

BSB number

Account number

Section 3D – Delivery of Communications

We are required to send you various communications about your investment. This includes monthly Unitholder statements, application and redemption confirmations, and half-yearly and annual statements. Please indicate below how you prefer to receive these communications.

- Hard copy statement
Postal address supplied on initial application form will be used for delivery of statements.

- Facsimile
Please provide facsimile details below. Multiple recipients can be accommodated if required.

Contact name

Facsimile number

Contact name

Facsimile number

- Email
Please provide current email address below. Multiple recipients can be accommodated if required.

Contact name

Email

Contact name

Email

Step 1

Complete Application Form

Effective 20 June 2011

Section 3E – Annual Financial Report

We will automatically provide this report to you via post, **unless** you indicate otherwise.

Please tick this box if you do not wish to receive a copy of the Trust annual financial reports.

Section 3F – Adviser Details

Please complete your adviser details (if applicable).

Adviser name

Business name

Address

Suburb

State

Postcode

Phone number

Email address

Adviser number

Dealer group stamp

Section 4 – Declaration and Signatures

I/We acknowledge and declare that:

1. I/We agree to be bound by the PDS and the Constitution for the Fund.
2. I/We have received and accepted this offer in Australia.
3. All the information in this Application Form is true and correct.
4. I am an/We are individual/s over 18 years of age, or a duly registered company, and have the legal power to invest in accordance with this application. If this application is signed under Power of Attorney, the attorney has not received notice of any revocation or limitation of that power. Sole signatories signing on behalf of a company are signing as a sole director and sole secretary of the company.
5. Bennelong Funds Management Ltd (BFM) can provide information on the status of my/our investment to my/our nominated financial adviser/broker.
6. Should I/we fail to provide, or delay in providing, BFM any information or documentation requested of me/us:
 - my/our application for Units may be delayed or refused;
 - any Units I/we hold may be compulsorily redeemed; and
 - any disposal request by me/us may be delayed or refused.BFM will not be liable for any loss arising from any of the above actions.
7. I/We understand the risks associated with an investment in the Fund including those outlined in the PDS.
8. BFM reserves the right to reject any application or to allocate to any applicant a lesser number of units than that applied for.
9. I/We understand that the value of interests in the Fund may rise and fall, from time to time.
10. Investments in the Fund are not deposits with, or other liabilities of, BFM and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither BFM, the Investment Manager nor the Administrator makes any representation as to the performance or success of the Fund or guarantees the performance of the Fund or its underlying investments, the repayment of capital from the Fund or any particular rate of return.
11. The Fund may disclose to any service provider or any regulatory body any information concerning me/us and such disclosure will not be treated as a breach of any applicable law.
12. I/We have read the policy on privacy and personal information contained in the PDS and consent to my/our personal information being used and disclosed as set out in the PDS.
13. Application monies will be held in a non interest bearing account until applied to the Fund or returned to me/us.
14. Redemption proceeds, where payable, will only be paid after the original request signed by me/us is received and those proceeds will only be paid to the original account from which the application monies derived or another account in my/our name as approved by BFM.

AML/CTF Terms and Conditions

15. Each of BFM, the Investment Manager and Administrator are required to comply with the AML/CTF Laws and I/we undertake to provide them with such additional information or documentation as may be requested of me/us, from time to time, to ensure its compliance with such requirements.
16. By making this application and holding units in the Fund:
 - I/We will not knowingly do anything to put BFM, the Investment Manager or Administrator in breach of AML/CTF Laws, and agree to promptly notify each of them if I/we am/are aware of anything that would put them in breach of AML/CTF Laws.
 - I/We acknowledge that I/we am/are not aware and have no reason to suspect that:
 - the money used to fund my/our investments in the Fund is derived from or related to money laundering, terrorism financing or similar activities (Illegal Activities); and
 - proceeds of my/our investments in the Fund will fund Illegal Activities.
17. I/We consent to BFM, the Investment Manager or Administrator disclosing, in connection with AML/CTF Laws, any of my/our Personal Information (as defined in the Privacy Act 1988 (Cth)) that they may have.
18. I/We acknowledge that in certain circumstances my/our units may be frozen or blocked where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the monitoring that is required by AML/CTF Laws. If this occurs, neither BFM, the Investment Manager nor the Administrator is liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify them if they are found liable to a third party in connection with the freezing or blocking of my/our units.

Step 2

Read and Sign Section 4 – Declaration and Signatures

Effective 20 June 2011

Section 4 – Declaration and Signatures (continued)

Signature of Applicant 1

Print full name

Date

DD / MM / YYYY

Capacity

- Individual Partner Director
 Joint Investor Trustee Agent for the Investor
 Sole Trader Sole Director

Signature of Applicant 2

Print full name

Date

DD / MM / YYYY

Capacity

- Joint Investor Trustee Company Secretary
 Partner Director Agent for the Investor

Company Seal (if applicable):

Section 5 – Identification Documents

To comply with our obligations under AML/CTF Laws, we must collect certain information, supported by original or certified copies* of relevant documents**, about each investor. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

If you are an existing investor with Bennelong, you are not required to provide us with the information below. If you are a new investor with Bennelong, please complete the section relevant to you as indicated below.

Investor Type	Go to	Page
<input type="radio"/> Individual/Joint/Sole Trader	Section 5A	page 36
<input type="radio"/> Company	Section 5B	page 37
<input type="radio"/> Trust/Superannuation fund	Sections 5A and 5C	page 36 and page 37
<input type="radio"/> Partnership	Sections 5A and 5D	page 36 and page 37
<input type="radio"/> Agent of Customers	Section 5E	page 38

*Please refer to Section 5F on page 38 for details about obtaining certified copies.

**Any original or certified documents submitted to Bennelong will not be returned.

Section 5A – Individual/Joint Investors/Sole Trader/Individual Trustee*/Agent of Customers

Please provide us with a certified copy of a document from Part I, or if you do not own a document from Part I, certified copies of documents from either Part II or III.

*You only need to provide the relevant documents set out in this Section 5A if you are required to complete Section 2A.

Part I

Provide **ONE** document from this section

- Current Australian driver's licence containing your photograph and date of birth
- Australian passport (a passport that has expired within the past 2 years is acceptable)
- Foreign passport or similar travel document containing your photograph and signature
- Current card issued by an Australian State or Territory for the purpose of proving your age containing your photograph and date of birth

Part II (should only be provided if you do not own a document from Part I)

Provide **ONE** document from this section

- Australian birth certificate
- Australian citizenship certificate
- Pension card issued by Centrelink
- Health card issued by Centrelink

AND ONE document from this section

- A certified copy of a notice, showing your name and residential address, issued by the Commonwealth or a State or Territory within the past 12 months that records the provision of financial benefits to you
- A certified copy of a notice, showing your name and residential address, issued by the Australian Taxation Office within the past 12 months that records a debt payable by you
- An original or certified copy of a notice, showing your name and residential address, issued by a local government body or utilities provider (e.g. rates notice or electricity bill) within the past 3 months which records the provision of services to you
- If you are under age 18, a notice, showing your name and your residential address, issued by a school principal within the past 3 months which records the period of time that you attended at that school

Part III (should only be provided if you do not own a document from Part I)

Provide **BOTH** documents from this section

- Foreign driver's licence containing your photograph and date of birth
- National ID card issued by a foreign government containing your photograph and signature

Step 3

Complete Section 5 – Identification Documents

Effective 20 June 2011

Section 5B – Company/Corporate Trustee*

Please provide us with a certified copy of a document from the following.

*You only need to provide the relevant documents set out in this Section 5B if you are required to complete Section 2B.

Provide **ONE** document from this section

- Certificate of registration or incorporation issued by ASIC
- Certificate of registration or incorporation issued by the relevant foreign registration body

AND (if applicable) documents from this section

- If a listed company, a search of the relevant financial market
- If a regulated company, a search of the licence or other records of the relevant Commonwealth, State or Territory statutory regulator

Section 5C – Trust/Superannuation Fund

Registered Management Investment Scheme/Regulated Trust/Government Superannuation Fund

Provide **ONE** document from this section

- Screen print from the relevant regulator's website showing the full name of the Trust, and that the trust is a registered scheme, regulated trust or government superannuation fund

Foreign Superannuation Fund/Other Trusts

Provide **ONE** document from this section

- A certified copy or certified extract of the Trust Deed
- A notice issued to the Trust by the Australian Taxation Office within the past 12 months
- Letter from a solicitor or qualified accountant verifying the name of the Trust

AND BOTH documents from this section

- Full name and residential/registered office address of all Individual and Corporate Trustees
- The relevant documents set out in Section 5A or 5B for the Individual or Corporate Trustee who has completed Sections 2A or 2B respectively

AND documents from this section

- The relevant documents set out in Section 5A or 5B for any Individual or Corporate Beneficiaries listed in Section 2C respectively

Section 5D – Partnership

Provide **ONE** document from this section

- A certified copy or certified extract of the partnership agreement
- A certified copy or certified extract of minutes of a partnership meeting
- A certified copy of a current membership certificate (or equivalent) of a professional association
- Membership details independently sourced from the relevant professional association
- A certified copy of a notice issued to the Partnership by the Australian Taxation Office within the past 12 months
- A certified copy of a certificate of registration of business name issued by a government or government agency in Australia

AND documents from this section

- The relevant documents set out in Section 5A for the Partner who has completed Section 2A

AND (if regulated by a professional membership) **ONE** document from this section

- A certified copy of a current membership certificate (or equivalent) of a professional association
- Membership details independently sourced from the relevant professional association

Section 5E – Agent of Customers

Provide **BOTH** documents from this section

- Evidence of the agent's authority to act on behalf of the investor (e.g. signed letter, power of attorney)
- The relevant documents set out in Section 5A in respect of the agent (if individual agent appointed) or in respect of the verifying officer (if verifying officer appointed)

AND document from this section if verifying officer appointed

- Written evidence of the investor's authorisation of the verifying officer to act as a verifying officer

Section 5F – Obtaining a Certified Copy of an Original Document

Certified copy means a document that has been certified as a true copy of an original document.

Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the sub-paragraphs below.

People who can certify documents or extracts are:

- a **lawyer** – a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a **judge** of a court;
- a **magistrate**;
- a **chief executive officer** of a Commonwealth court;
- a **registrar** or **deputy registrar** of a court;
- a **Justice of the Peace**;
- a **notary public** (for the purposes of the Statutory Declaration Regulations 1993);
- a **police officer**;
- a **postal agent** – an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- the **post office** – a **permanent employee** of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
- an **officer** with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
- a **finance company officer** with 2 or more continuous years of service with one or more **financial companies** (for the purposes of the Statutory Declaration Regulations 1993);
- an **officer** with, or **authorised representative** of, a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees; and
- an **accountant** – a member of the institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

14 Glossary

Administrator means BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674.

Asset Value means the aggregate gross value of all assets in the Fund.

Business Day means any day (except any weekend or public holiday) on which trading banks are open for usual business in Sydney, Australia.

Corporations Act means the Corporations Act 2001 (C'wth).

Custodian means BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674.

Deadline means 2.00 p.m. Sydney time.

Derivatives means a security, such as an option or futures contract whose value depends on the performance of an underlying asset.

Fund means the Bennelong Avoca Emerging Leaders Fund ABN 33 165 354 048, ARSN 149 609 781 an Australian registered managed investment scheme established under the laws of Victoria, Australia.

Futures means an agreement to buy or sell a specified quantity of an underlying asset at a particular time in the future and at a price agreed at the time the contract was executed.

GST means the same as in the GST Act.

GST Act means A New Tax System (Goods and Services Tax) Act 1999 (C'wth).

IDPS means an Investor Directed Portfolio Service.

Investment Manager or the Manager means Avoca Investment Management Pty Ltd ACN 149 651 856.

Liquidity means the ability of an investment to be easily and quickly converted into cash with little loss of capital.

Net Asset Value at any time means the Asset Value less the liabilities at that time.

Net Asset Value Per Unit at any time means the amount calculated by dividing the Net Asset Value by the number of Units on issue.

Portfolio means a collection of investment holdings.

Responsible Entity means Bennelong Funds Management Ltd ACN 111 214 085.

Retail Client means a retail client within the meaning of section 761G and section 761GA of the Corporations Act.

Unit means a Unit in the Fund.

Valuation Time means any time the Net Asset Value is determined.

Wholesale Client means a wholesale client within the meaning of section 761G and section 761GA of the Corporations Act.

Client Services

Bennelong Funds Management Ltd

Bennelong House
Level 2, 9 Queen Street
Melbourne VIC 3000

Telephone: 1800 895 388

Facsimile: (03) 9617 0400

Email: client.services@bennfundsmanagement.com.au

Responsible Entity

Bennelong Funds Management Ltd

ACN 111 214 085

AFS Licence Number 296806

Bennelong House
Level 2, 9 Queen Street
Melbourne VIC 3000

Telephone: (03) 9617 0444

Facsimile: (03) 9617 0400

Investment Manager

Avoca Investment Management Pty Ltd

ACN 149 651 856

Suite 2302, Level 23, 20 Bond Street
Sydney NSW 2000

Administrator and Custodian

BNP Paribas Fund Services Australasia Pty Ltd

ABN 71 002 655 674

Level 6, 60 Castlereagh Street
Sydney NSW 2000

Legal Advisers

DLA Piper

Level 21, 140 William Street
Melbourne VIC 3000

Auditors

Deloitte Touche Tohmatsu

550 Bourke Street
Melbourne Vic 3000

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