



## Additional Information

# Sestante Diversified Fund

Dated: 3 August 2016

APIR: PAT0006AU | ARSN: 613 157 387

### Responsible Entity:

AZ Sestante Limited  
ABN 94 106 888 662 | AFSL 284442  
Level 18, 1 Margaret St, Sydney NSW 2000


### Investment Manager:

Ironbark Asset Management Pty Ltd  
ABN 53 136 679 420 | AFSL 341020

### Contact details

If you have an enquiry or would like more information about an AZ Sestante Fund, you can speak to an Ironbark representative between 9.00am and 5.30pm AEST, Monday to Friday (excluding public and bank holidays in Sydney, NSW).

Ironbark Client Services:

 Phone: 1800 034 402

 Email: [client.services@ironbarkam.com](mailto:client.services@ironbarkam.com)

 Website: [www.azsestante.com](http://www.azsestante.com)

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This Sestante Diversified Fund Additional Information ('Additional Information') has been prepared and issued by AZ Sestante Limited ABN 94 106 888 662 AFSL 284442 ('the Responsible Entity').

The information included in this document forms part of the Product Disclosure Statement ('PDS') issued by AZ Sestante Limited for the Sestante Diversified Fund (ARSN 613 157 387) ('Fund') dated 3 August 2016. You should read this information together with all the information in the PDS before making a decision to invest into the Fund. The PDS and this Additional Information are available on [www.azsestante.com](http://www.azsestante.com) or you can request a copy by calling Ironbark Client Services on 1800 034 402.

The information provided in this Additional Information is general information only and does not take account of your personal financial circumstances. You should obtain professional financial advice tailored to your personal circumstances.

## 1 Investing in the Sestante Diversified Fund

### Applying for units

If a correctly completed application form ('Application Form'), identification documents (if applicable) and cleared application money is received before or on 2.00pm AEST on a Business Day, the application will be processed on that Business Day. This means you will receive the application price calculated for that Business Day. If received after 2.00pm AEST on a Business Day, the application will be processed on the next Business Day. This means you will receive the application price calculated for the next Business Day.

We will only start processing an application if:

- we consider that you have correctly completed the Application Form;

- it has been correctly sent by you and received by the Unit Registry;
- you have provided the relevant identification documents; and
- application money (in cleared funds) stated in your Application Form has been received. The time it takes for application money to clear varies depending on how you transfer the money and your bank (it may take up to four Business Days).

We reserve the right to accept or reject applications in whole or in part at our discretion and delay the processing of applications where we believe it to be in the best interest of all the Fund's investors, without giving any reason.

## 2 Additional explanation of fees and costs

The following information shows fees and other costs that you may be charged in relation to units in the Fund. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole.

You should read all the information about fees and costs in the PDS and this Additional Information because it is important to understand their impact on your investment.

### Management costs

The management cost for the Fund is the ratio of the Fund's management costs to the Fund's total average net assets.

The Constitution allows the Responsible Entity to recover from the Fund all expenses incurred in relation to the proper performance of our duties ('Expense recovery'). For example, this would include responsible entity, custody, fund administration, registry, accounts and audit, tax advice, external consultants and compliance costs. The Constitution does not place any limit on the amount of the normal operating expenses that can be paid from the Fund.

However, the Responsible Entity has determined that it will currently pay any normal operating expenses for the Fund (i.e. fund expenses other than abnormal costs. Refer to the Abnormal Costs section below for an explanation of abnormal costs). This will apply until the Responsible Entity notifies unitholders otherwise.

### Underlying investment performance fees

There are no performance fees charged at the Fund level.

Performance fees may be payable to one or more underlying investment. A performance fee will only be charged by an investment manager when its investment return outperforms a specific performance hurdle return. However, usually, any prior underperformance must also be made good before the investment manager qualifies for a performance fee.

A performance fee may still be payable to an investment manager even where the Fund's overall performance has declined over a performance period because that investment manager may have outperformed their benchmark or hurdle over the period.

### Buy-sell spread

The buy-sell spreads are an additional cost to you and are paid to the Fund to ensure other unit holders are not disadvantaged by the trading activity. There is no buy-sell spread on distributions that are reinvested.

AZ Sestante may vary the buy-sell spread from time to time and prior notice will not ordinarily be provided. Updated information on the buy-sell spread will be posted on our website [www.azsestante.com](http://www.azsestante.com).

#### Buy-sell spread example

The current buy spread on an investment in the Fund is 0.20%. Therefore, the cost of an investment of \$20,000 into the Fund would be \$40.

The current sell spread on a withdrawal from the Fund is 0.20%. Therefore, the cost of a withdrawal of \$20,000 from the Fund would be \$40.

### Abnormal costs

Any abnormal costs (such as costs of investor meetings, changes to the Constitution and defending or pursuing legal proceedings) will be paid out of the assets of the Fund. These abnormal costs are expected to be incurred infrequently.

### Bank and government charges

In addition to the fees set out in this section, standard government fees, duties and bank charges may also apply to investments and withdrawals (including dishonour fees and bank charges) and may be payable by the investor.

### Goods and services tax

All fees are shown inclusive of the net effect of Goods and Services Tax ('GST') less reduced input tax credit unless otherwise stated.

## 3 Risks of managed investment schemes

### General risks of investing

<b>Investors' objective risk:</b>	This is the risk that the investors' objectives will not be met by their choice of investments.
<b>Market risk:</b>	There is a risk that the market value of the Fund's assets will fluctuate. This may occur as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, environmental and technological issues.
<b>Liquidity risk:</b>	This is the risk that investments may not be able to be realised quickly for their market value. The liquidity of the Fund is dependent on the liquidity of the underlying assets of the Fund.
<b>Inflation risk:</b>	This is the risk that the prices of goods and services will rise faster than the value of your investments.
<b>Fund risk:</b>	Fund risks include potential termination of the Fund, change of the fees and expenses, or a change in investment professionals. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors. We aim to keep fund risk to a minimum by monitoring the Fund and acting in investors' best interests.
<b>Operational risk:</b>	Disruptions or failure of information technology systems, administrative procedures or operational controls may directly or indirectly impact the operation of the Fund. Where appropriate, processes and controls are in place to reduce the impact of potential operational risks, and these are reviewed and tested on an ongoing basis.

### Risks specific to the Fund

<b>Capital risk:</b>	The value of units in the Fund may rise or fall depending upon a number of factors including the value of investments made by the Fund. There is no guarantee of repayments of any or all of your capital invested.
<b>Individual investment risk:</b>	The value of each underlying investment of the Fund can rise and fall in value.
<b>Derivatives risk:</b>	<p>The Fund is permitted to use derivatives. The value of derivatives can be influenced by a number of factors, including movement in the value of the underlying asset, difficulty in liquidating the derivative and counterparty risk (this is where the counterparty to the derivatives contract cannot meet its obligations under the contract).</p> <p>Derivatives are used to reduce risk or gain exposure to investments when appropriate. Derivatives are not used by the Fund for speculative purposes, or to gear the Fund.</p>
<b>Investment manager risk:</b>	The Fund is managed by Ironbark via an investment management agreement. The investment management agreement can be terminated for various reasons and a new investment manager can be appointed. Additionally, we have no control over the investment team of the underlying investment managers however investments can be terminated or withdrawn.

## 4 Managing your investment

### Authorised signatory

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;

- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details; and
- enquiring and obtaining copies of the status of your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and

- you agree that any instructions received from your authorised signatory shall be to the complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

### Reports

We will make the following statements available to all unit holders:

- a transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request); and

- annual distribution, tax and confirmation of holdings statements for each period ended 30 June.

The following statements will be available to all unit holders via the AZ Sestante website at [www.azsestante.com](http://www.azsestante.com):

- the Fund's half yearly financial accounts (if applicable);
- the Fund's annual audited accounts for the most recent period ended 30 June; and
- monthly investment reports providing updates on the Fund.

## 5 Withdrawing your investment

### Access to your money

All valid withdrawal requests received by 2.00pm AEST on a Business Day will be processed using the unit price next calculated after 2.00pm AEST for that Business Day. Any valid withdrawal request received after 2.00pm AEST on a Business Day will be processed using the unit price calculated for the following Business Day.

### Withdrawal terms

When you are withdrawing, you should take note of the following:

- we are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions;
- we may contact you to check your details before processing your withdrawal request. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money;
- if we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer;
- as an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority; and
- you agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.

### Withdrawal restrictions

Under Australian securities law (the 'Corporations Act'), you do not have a right to withdraw from the Fund if the Fund is illiquid. Under such circumstances, you can only withdraw where AZ Sestante makes a withdrawal offer in accordance with the Corporations Act. AZ Sestante is not obliged to make such offers.

A fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, if AZ Sestante is unable to repatriate funds to meet withdrawal payments, it may suspend the calculation of the NAV and withhold withdrawal proceeds.

### Transferring units

You may transfer units in the Fund to another person. To do this contact Ironbark Client Services for instructions on how to complete the transfer, additionally you will need to send:

- a signed and completed, and where relevant, stamped Australian standard transfer form, which you can download from our website at [www.azsestante.com](http://www.azsestante.com); and
- a completed Application Form from the PDS for the Fund current at the time, completed by the person to whom the units are being transferred as a new applicant to the Fund.

We reserve the right to decline certain transfer requests at our discretion.

A transfer involves a disposal of units, which may have tax implications. We recommend that you obtain tax and legal advice (as necessary) before requesting a transfer.

## 6 Other important information

### Your privacy – privacy collection notice

When you provide instructions to AZ Sestante or its service providers or delegates, AZ Sestante and its service providers or delegates will be collecting personal information about you. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Otherwise, your application may not be processed or AZ Sestante and its service providers or delegates will not be able to administer or manage your investment.

The information that you provide may be disclosed to certain organisations or bodies situated in Australia or overseas, including service providers or business associates who provide

services and financing in connection with our products and services and business functions and activities, which may include:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your broker, financial adviser or adviser dealer group, their service providers and any joint holder of an investment;
- organisations involved in providing, administering and managing the Fund, the administrator, custodian, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law.

Currently AZ Sestante does not disclose any privacy information to parties outside Australia but this may be subject to change.

AZ Sestante may from time to time provide you with direct marketing and/or educational material about products and services AZ Sestante believes may be of interest to you.

Should you not wish to receive this information from AZ Sestante (including by email or electronic communication), you have the right to “opt out” by advising AZ Sestante by telephoning Ironbark Client Services 1800 034 402, or alternatively by contacting Ironbark Client Services via email at [client.services@ironbarkam.com](mailto:client.services@ironbarkam.com).

Subject to some exceptions allowed by law, you can ask for access to your personal information. We will provide you with an explanation if you are denied access to this information. The AZ Sestante Privacy Policy outlines how you can request to access and seek the correction of your personal information. The AZ Sestante Privacy Policy is available at [www.azsestante.com](http://www.azsestante.com) and can be obtained by contacting AZ Sestante’s Privacy Officer on 1800 034 402, or alternatively by contacting Ironbark Client Services via email at [client.services@ironbarkam.com](mailto:client.services@ironbarkam.com).

AZ Sestante’s Privacy Policy contains information about how you can make a complaint if you think AZ Sestante has breached your privacy and how AZ Sestante will deal with your complaint.

You should refer to the AZ Sestante Privacy Policy for more detail about the personal information that AZ Sestante collects and how AZ Sestante collects, uses and discloses your personal information.

### **The Constitution**

The Fund is governed by the Constitution that sets out how the Fund must operate, and together with the PDS, the Corporations Act and other laws, regulates the Responsible Entity’s legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the Constitution. A copy of the Constitution is available on the AZ Sestante website at [www.azsestante.com](http://www.azsestante.com). Please consider these documents before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

### **Anti-Money Laundering and Counter Terrorism Financing**

Australia’s Anti-Money Laundering and Counter Terrorism Financing (‘AML/CTF’) laws require AZ Sestante to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing program. A fundamental part of the AML/CTF program is that AZ Sestante knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation (‘Know Your Clients (‘KYC’) Documents’) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or withdrawals will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF laws, AZ Sestante may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. AZ Sestante may not be able to tell you when this occurs and, as a result, AUSTRAC may require AZ Sestante to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

AZ Sestante is not liable for any loss you may suffer because of compliance with the AML/CTF laws.

### **Corporate governance framework**

The Board of the Responsible Entity is committed to achieving effective compliance with all applicable laws, regulations and industry codes.

The Responsible Entity’s compliance objectives are:

- to comply with the requirements of the law, regulatory requirements (e.g. Corporations Act, 2001 and ASIC Regulatory Guides);
- to proactively identify compliance issues impacting on its business operations and establish compliance procedures and protocols to effectively and efficiently address these compliance issues;
- to monitor those procedures in place to ensure that compliance is maintained and that adequate reporting procedures exist to resolve any issues which may arise; and
- to ensure that all representatives are kept up-to-date with developments in compliance requirements impacting on business operations and respond to them in a systematic and timely manner.

### **Cooling-off period**

A fourteen (14) day cooling-off period applies during which you may change your mind about your application for units and request the return of your money in writing. Generally, the cooling-off period runs for 14 days from the earlier of the time your application is confirmed, or the end of the fifth Business Day after your units are issued. The amount refunded to you may be less than your investment amount due to market movements, adjusted for expenses, applicable taxes and transaction costs incurred between the date of the application and the date of withdrawal. No cooling-off period applies if you are a Wholesale Client. The right to cool-off may not apply if you are an Indirect Investor, even if you are a Retail Client. Indirect Investors should seek advice from their IDPS operator or consult the IDPS guide or similar type document as to whether cooling-off rights apply.

### **Conditions for use of the fax transaction facility**

In accordance with the Constitution, a notice may be given to the Unit Registry. A notice given to the Unit Registry by fax is effective only at the time of receipt by the Unit Registry. You should retain a copy of the fax confirmation sheet as proof that a transmission was successfully completed on the date and time shown. This will assist if an issue arises as to the timing of receipt of a facsimile by the Unit Registry.

By completing the Application Form or a withdrawal request, you agree to be bound by the following additional conditions if you give the Unit Registry a notice by fax:

- you acknowledge that there is a risk that fraudulent fax requests may be made by a third party;
- you agree that neither of AZ Sestante, its officers, employees or agents, is responsible for any fraudulently completed communications and that none of AZ Sestante, its officers, employees or agents will compensate you for any losses arising from such communications; and
- you release and indemnify AZ Sestante, its officers, employees and agents against any liabilities whatsoever arising from AZ Sestante, its officers, employees or agents acting on faxed communications from, or purporting to be from you.

## Conflicts of interest

We, and our various service providers may from time to time act as issuer, investment manager, custodian, registrar, broker, administrator, investment adviser, distributor or dealer in relation to, or be otherwise involved in other ways, or have other funds established by, parties other than the Fund, which have similar objectives to those of the Fund. It is possible that any of them may have potential conflicts of interest with the Fund in the course of business. At all times we will be mindful of our obligations to investors and will endeavour to resolve such conflicts fairly.

In addition, subject to applicable law, any of the foregoing may deal (as principal or agent) with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis.

We or any person connected with us may invest in, manage or advise other funds which invest in assets which may also be purchased or sold by the Fund. Subject to law, neither we nor any of our affiliates, nor any person connected with them, is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund, or to account to the Fund in respect of (or share with, or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction.

## US Tax Law Requirements (FATCA)

The Fund is required to comply with the US Foreign Account Tax Compliance Act ('FATCA'). To comply with these requirements, the Fund will collect certain additional information from you and will be required to disclose such information to the ATO or the US Internal Revenue Department.

## 7 Additional information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is subpart 6 of part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations.

### Regulation

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

### Complaints

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If we are not able to resolve your complaint within 45 days or you are not

happy with our resolution, as described in section 8 of the PDS, rather than contact the Australian Financial Ombudsman Service you can contact the Financial Markets Authority, New Zealand ([www.fma.govt.nz](http://www.fma.govt.nz)). The Australian and New Zealand regulators will work together to settle your complaint.

### Currency risk

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### Taxation

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

## 8 Glossary

<b>Business Day</b>	A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Indirect Investors</b>	Individuals who invest in a fund through an Investor Directed Portfolio Service ('IDPS').
<b>Unit Registry</b>	The registry service provided appointed by the Responsible Entity to manage the register of investors.
<b>We, us, our</b>	AZ Sestante Limited, the Responsible Entity of the Fund.
<b>Wholesale Client and Retail Client</b>	Persons or entities defined as such under section 761G of the Corporations Act.
<b>US Persons</b>	<p>A person so classified under securities or tax law in the United States of America ('US') including, in broad terms, the following persons:</p> <ul style="list-style-type: none"> <li>a) any citizen of, or natural person resident in, the US, its territories or possessions; or</li> <li>b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or</li> <li>c) any agency or branch of a foreign entity located in the US; or</li> <li>d) a pension plan primarily for US employees of a US Person; or</li> <li>e) a US collective investment vehicle unless not offered to US Persons; or</li> <li>f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or</li> <li>g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or</li> <li>h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or</li> <li>i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.</li> </ul>