

Freehold A-REITS & Listed Infrastructure Fund

ADDITIONAL PDS DISCLOSURE

ARSN 164 098 855

Issued by: Responsible Entity Partners Limited ACN 119 757 596 AFSL 304542

Dated: 6 July 2020

IMPORTANT INFORMATION

This document provides information incorporated by reference in the product disclosure statement (PDS) for the Freehold A-REITs & Listed Infrastructure Fund ARSN 164 098 855 (Fund) dated 6 July 2020. A copy of the PDS and this Additional PDS Disclosure can be obtained at no cost by contacting the investment manager, Freehold Investment Management Limited (Freehold) or the responsible entity, Responsible Entity Partners Limited (REP):

Freehold	REP
web: freeholdim.com.au	web: sargon.com
telephone: 02 9228 1400	telephone: 03 9097 2800
email: enquiries@freeholdim.com.au	email: contact@sargon.com.au

The information provided in the PDS and this Additional PDS Disclosure is general in nature and does not take into account your personal financial situation or needs. You should read the PDS and this Additional to the PDS Disclosure together and seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

All dollar amounts are in Australian dollars unless otherwise indicated. The PDS does not constitute an offer or invitation in any jurisdiction other than in Australia or New Zealand and the offer under the PDS may only be accepted in Australia and New Zealand. Applications from outside Australia or New Zealand will not be accepted through the PDS. Units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws

DISCLAIMER

None of REP, Freehold nor their related bodies corporate guarantee the performance of the Fund nor the return of capital or income.

Contents

1. Fund liquidity	2
2. Investing via a Portfolio Service	2
3. Fees and costs	3
4. Other important information	5
5. New Zealand Investors	8
6. Glossary	9



1. Fund liquidity

Because the Fund invests in listed securities it is expected to be liquid, however there may be circumstances where your ability to withdraw from the Fund is restricted. REP may delay or suspend withdrawal requests where we are unable to realise sufficient assets due to circumstances outside our control, such as when there is restricted or suspended trading in assets held by the Fund, or where the Fund is no longer liquid as defined by the Corporations Act.

The Fund is not liquid under the Corporations Act if it has less than 80% liquid assets (generally cash and marketable securities). If the Fund is non-liquid, withdrawals from the Fund will only be possible if REP makes a withdrawal offer in accordance with the Corporations Act. REP is not obliged to make such an offer, however if REP does you are only able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, then the requests will be satisfied proportionately amongst those Investors wishing to withdraw from the Fund.

The Constitution also contains specific provisions that provide REP with powers in relation to withdrawals. The specific provisions in the Constitution are summarised below.

Provision	Explanation
Conditions	Where REP reasonably considers it in the best interests of Investors to do so, REP may impose conditions on the withdrawal of Units by Investors, including, for example, imposing restrictions on the maximum number of Units or maximum proportion of the unitholding that an Investor or Investors collectively may withdraw.
Payment of withdrawals by transfer of assets	REP will not transfer assets to an investor rather than pay cash in satisfaction of all or part of a redemption request.
Suspend withdrawals	<p>REP may suspend withdrawals for up to 90 days (or such other period that REP considers reasonable), if REP reasonably believes that it cannot accurately determine the Unit price of the Fund, or cannot realise all assets of the Fund for cash.</p> <p>Following the lifting of any suspension, REP will determine the Unit price which applies to all outstanding withdrawal requests and any requests to withdraw received during the suspension period.</p>

2. Investing via a Portfolio Service

If you are investing in the Fund through a Portfolio Service (such as a master trust, wrap account, investor directed portfolio service or IDPS-like scheme) then you will be an "Indirect Investor".

An investment in the Fund offered under the PDS via a Portfolio Service does not entitle you to a direct interest in the Fund. Some of the key differences in relation to being an Indirect Investor are outlined below:

Registered holder	<p>The Portfolio Service is the registered holder of Units issued by the Fund. This means that:</p> <ul style="list-style-type: none"> the Portfolio Service records the balance of your investment in the Fund transaction statements, notices and other Fund reports are sent to the Portfolio Service operator, who will then forward communications to you as required, and distributions are paid to the Portfolio Service or reinvested in the Fund on the instruction of the Portfolio Service.
--------------------------	--



Rights	The Portfolio Service operator holds the rights that apply to a person who invests directly in the Fund and may exercise those rights. These rights include voting at meetings of investors of the Fund.
Transacting on your investment	Applications and withdrawals are determined by the Portfolio Service operator, including any requirements for minimum balances. Timing and processing of transactions (including applications, withdrawals and distributions) is determined by the Portfolio Service operator and may be different to the times and processes of the Fund. Cut-off times for transacting are determined by the Portfolio Service operator.
Fees and other costs	Additional fees and expenses may be charged by the Portfolio Service operator.

As an Indirect Investor, you should read the disclosure document for that Portfolio Service together with the PDS and this Additional PDS Disclosure prior to investing. The Portfolio Service disclosure document contains important information that outlines the requirements of the Portfolio Service operator in relation to who may invest, minimum balances, additional investments, processing applications and any other terms or conditions which they apply. REP has authorised the use of the PDS and this Additional PDS Disclosure for the purpose of disclosure to direct Investors as well as Indirect Investors.

Indirect investors should contact their financial adviser or Portfolio Service operator for any investor queries.

3. Fees and costs

3.1 MANAGEMENT COSTS

Management costs are expressed as a percentage of the Fund's net assets. Management costs are made up of a management fee, recoverable expenses and indirect costs. Any management fees, performance fees, recoverable expenses and indirect costs charged by interposed vehicles are included in the management costs in Table 1 of the PDS; they are not an additional cost to you.

(a) Expenses

REP is entitled to recover certain fees and costs associated with the day-to-day operation of the Fund which are specified in the Constitution. For example, the Constitution allows the following costs to be recovered:

- (i) costs of establishing and administering the Fund;
- (ii) expenses of maintaining accounts for the Fund;
- (iii) preparing, distributing and lodging the Fund's financial statements;
- (iv) costs of preparing and lodging tax returns;
- (v) costs associated with preparing offer documents for the Fund and promoting the offer;
- (vi) the fees and costs associated with compliance; and
- (vii) professional adviser fees associated with the above activities.

REP pays some of the costs of operating the Fund from the fee REP receives for acting as responsible entity. However, there may be fees and costs which may be recovered from the Fund's assets. These include audit costs, taxes, and unusual or extraordinary expenses such as litigation costs. Further, REP is entitled to be reimbursed out of the assets of the Fund for losses and damages, and costs, fees, expenses and taxes, in connection with the proper performance of the administration of the Fund. This applies in addition to REP's



other rights of indemnity under the law.

REP is not entitled to, and cannot be indemnified or reimbursed out of the assets of the Fund in respect of remuneration payable to REP's employees or expenses incurred in the internal administration of REP's business.

The recoverable expenses incurred by the Fund are included in the management costs in Table 1 of the PDS.

(b) Indirect costs

Indirect costs are generally any amount REP knows or estimates will reduce the Fund's returns that are paid from the Fund's assets or the assets of interposed vehicles. Generally, an interposed vehicle is a body, trust or partnership in which the Fund's assets are invested, such as an underlying fund.

The amount of indirect costs include, but are not limited to management costs of an interposed vehicle (including performance related fees, recoverable expenses and any indirect costs of underlying managers or interposed vehicles in which the Fund invests).

The amount of total indirect costs shown in Table 1 of the PDS is based on REP's knowledge of, or where required, reasonable estimate of, such costs. Indirect costs are generally calculated on the basis of indirect costs paid by the Fund in the Fund's previous financial year. As such, the actual indirect costs may differ from the amount shown in Table 1 of the PDS.

Indirect costs are deducted from the returns on your investment or from the Fund assets as a whole. They are reflected in the Unit price and are not an additional cost to you. Estimated indirect costs are included in the management costs in Table 1 of the PDS.

3.2 TRANSACTIONAL AND OPERATIONAL COSTS

The Fund incurs transactional and operational costs when dealing with the assets of the Fund. Transactional costs incurred by the Fund include brokerage on all purchases and sales of securities held by the Fund, clearing costs, stamp duty, the buy and sell spreads of any underlying fund.

Transactional and operational costs will differ depending on the type of assets and will be paid out of the Fund's assets. We estimate the Fund's total transactional and operational costs will be approximately 0.35% of the net asset value of the Fund (e.g., \$175 for every \$50,000 of the Fund's net assets).

Transactional and operational costs associated with dealing with the Fund's assets may be recovered from investors, in addition to the fees noted in Table 1 of the PDS. This is factored into the Unit price as the buy/sell spread, i.e., there is a difference between the application price and withdrawal price to allow for the costs of acquisition and disposal of assets of the Fund (e.g., based on the current buy/sell spread applying at the date of this Additional PDS Disclosure of 0.25%, if you invested \$50,000 in the Fund then the cost of your buy-sell spread would be \$125, and if you withdrew \$50,000 from the Fund then the cost of your buy-sell spread would be \$125). You should note this amount represents an additional cost to you and is generally incurred whenever you invest in the Fund.

The buy/sell spread applying to Units is retained by the Fund and represents a contribution towards the transaction costs incurred by the Fund such as brokerage, as well as bank and account transaction charges. The transaction costs applying (and therefore the buy/sell spread) may be changed from time to time without notice. The buy/sell price spread and Unit price information can be found at www.freeholdim.com.au.

While the Investment Manager and Responsible Entity may align the purchase and sale portfolio investments with applications received from Investors and redemptions it is likely that a proportion of the transaction costs incurred by the Fund in these circumstances will not be covered by the buy-sell spread. We estimate the transactional and operational costs not covered by the buy/sell spread will be approximately 0.10% of the net asset value (e.g., \$ See final paragraph below. for every \$50,000 of the Fund's net assets).

3.3 OTHER FEES AND COSTS



Bid/ask spread: A bid-ask spread is the difference between the price a buyer is willing to pay (the bid price) and the price a seller is willing to accept (the ask price) for a particular investment. Given the nature of the Fund's assets, being primarily listed securities, we estimate the bid-ask spread will be zero.

Incidental fees: REP may charge fees where provided for under the Corporations Act.

Fees for investing via a Portfolio Service: when investing via a Portfolio Service investors must also refer to the fees and costs payable for the Portfolio Service they are investing through. The Portfolio Service operator will be the registered holder of Units and may charge you fees that are different from or in addition to the Fund's fees detailed in this section. You should refer to the offer document for the relevant Portfolio Service for more information.

Differential fees: REP may negotiate different fee arrangements, such as fee rebates, waivers or reductions, for Wholesale Clients, or as otherwise permitted by the Corporations Act or applicable relief granted by ASIC. Such differential fee arrangements are generally by individual negotiation with REP.

Changes to fees and other costs: REP reserves the right to change fees and other costs, but subject to any limitations under the Constitution and applicable law. REP will give Investors 30 days' notice prior to increasing any fees. The management fee REP charges and pays to the Investment Manager is currently less than the maximum permitted under the Constitution. The Constitution allows a maximum management fee of up to 1.4% per annum of the net asset value of the Fund.

Goods and Services Tax (GST): the fees and costs are GST inclusive amounts, net of any expected reduced input tax credits. If, for any reason, the Fund is not eligible to receive an input tax credit from the ATO for expenses incurred, the additional GST cost will be incurred by the Fund.

4. Other important information

4.1 DISCLOSURE OF INTERESTS

No expert or any firm in which any expert is a partner has any interest in the offer under the PDS and no amounts have been paid or agreed to be paid (other than normal fees) to any expert or any firm in which they are a partner for services rendered by the expert or the firm in connection with the offer under the PDS.

Directors and employees of both REP and the Investment Manager may subscribe for Units in the Fund. While directors and employees have held Units in the past, no directors nor employees hold Units as at the date of the PDS.

4.2 RELATED PARTY TRANSACTIONS

We may from time to time face conflicts between our duties to the Fund as responsible entity, our duties to other funds we manage and our own interests. Additionally, conflicts may arise in the context of our appointed investment manager. Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties. We maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest. The policy is designed to ensure that any actual or potential conflicts of interest and related party transactions are identified and appropriately dealt with and are managed in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

We may from time-to-time enter into other transactions with related entities. All transactions will be affected at market rates or at no charge, and in accordance with the Corporations Act.

4.3 CONSTITUTION



The Constitution is dated 27 May 2013 and is the primary document governing the relationship between Investors and REP. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- (a) The right to share in any distributions.
- (b) The right to attend and vote at meetings of Investors.
- (c) The right to participate in the proceeds of winding up the Fund.

The Constitution contains provisions about convening and conducting meetings of investors. Under the Constitution, REP may:

- (a) Deal with itself, an associate, Investor or any other person.
- (b) Be interested in and receive a benefit under any contract or transaction with itself, an associate, Investor or any other person.
- (c) Act in the same or similar capacity in relation to any other fund.

A copy of the Constitution is available free of charge by calling us on 03 9097 2800.

4.4 INVESTMENT MANAGEMENT AGREEMENT

The investment management agreement details the formal arrangement between REP and Investment Manager stipulating the terms under which the parties are authorised to act on behalf of the Fund to manage the Fund assets referred to in the agreement. The agreement establishes the extent to which the Investment Manager may act in a discretionary capacity to make investment decisions based on a prescribed strategy. The agreement contains the management fee payable to the Investment Manager.

4.5 PRIVACY

When you provide information to REP or its delegates, REP and its delegates may 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 REP and its delegates may not be able to administer or manage your account.

The information you provide may be disclosed to certain organisations, including:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your financial adviser or adviser dealer group, their service providers and any joint holder of an investment;
- those providing, administering or managing a fund, including the Investment Manager, Administrator, custodian, auditors or mailing or printing services; and
- those where you have consented to the disclosure or as required by law.

The organisations to which REP discloses your information may be situated in Australia or offshore though it is not practicable to list all of the countries in which such recipients are likely to be located.

REP or the Investment Manager may from time to time provide you with information about products and services that may be of interest to you. Should you not wish to receive this information (including by mail or electronic communication) you have the right to 'opt out' by advising REP (telephone: +613 9097 2800, email: privacy@sargon.com.au) or the Administrator (contact details).

Subject to some exceptions allowed by law, you can ask for access to your personal information. REP will give you reasons if REP denies you access to this information. REPs Privacy Statement / Policy outlines how you



can request access and seek the correction of your personal information. REPs Privacy Statement is available at [www.\(where\).com.au](http://www.(where).com.au) and can be obtained by contacting REPs Privacy Officer on (phone) or via email at privacy@sargon.com.au.

REPs Privacy Statement contains information about how you can make a complaint if you think there has been a breach of your privacy and about how REP will deal with your complaint.

You should refer to REPs Privacy Statement for more details about the personal information that REP collects and how REP collects, uses and discloses your personal information.

A copy of our Privacy Policy and the National Privacy Principles is available on our website, by contacting us.

4.6 UNIT PRICING POLICY

REP may exercise certain discretions in determining the unit price of Units on application and withdrawal in the Fund. The unit pricing policy, which can be obtained by contacting us on 03 9097 2800, sets out the types of discretions that REP may exercise and in what circumstances, the policies on how REP exercises the discretions and the reasons why it considers the policies are reasonable.

4.7 ANTI-MONEY LAUNDERING LAW

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Law) requires REP to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the application form. REP will not issue you with Units unless satisfactory identification documents are provided.

By applying to invest, you give REP permission to pass information it holds about you to other companies which are involved in helping REP administer the Fund, or where they require it for the purposes of compliance with AML/CTF Law. REP may also use your information to provide you with details of future investment offers made by REP or Investment Manager.

4.8 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The Foreign Account Tax Compliance Act ("FATCA") is a United States ("US") tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non-US investments or accounts. The OECD Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS) is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about you to the Australian Taxation Office (ATO).

In order for REP to comply with its FATCA and CRS obligations, REP will request certain information from Investors as set out in the Fund's Application Form. Please consult your tax advisor should you wish to understand the implications of FATCA and CRS on your particular circumstances. We are not liable for any loss an investor may suffer as a result of the Fund's compliance with FATCA and CRS.

4.9 ETHICAL POLICY

The Fund does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments. Decisions about whether to buy, hold or sell investments are based primarily on economic factors, with labour standards and environmental, social and ethical considerations taken into account only where they may be seen to have a material impact on the value of an investment.

5. New Zealand Investors

5.1 GENERAL



- (a) 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 Conducts Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- (b) This offer and the content of this PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) sets out how the offer must be made.
- (c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand Investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- (e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- (h) The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- (i) If you expect the financial products 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.*
- (j) The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

* Redemptions and distributions of income will only be paid, in Australian dollars, to Australian bank accounts.

5.2 CURRENCY EXCHANGE

The currency for the financial products is not New Zealand dollars. The value of the financial products 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 financial products 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.

5.3 DISPUTE RESOLUTION

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

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



6. Glossary

AFSL	Australian financial services licence.
ASIC	The Australian Securities and Investments Commission.
Benchmark	Australian Listed Real Assets Index.
Business Day	A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
Constitution	The constitution of the Fund dated 27 May 2013, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Fund	Freehold A-REITs & Listed Infrastructure Fund ARSN 164 098 855.
Indirect Investor	A person who has acquired Units via a Portfolio Service.
Investors	A holder of Units in the Fund.
Investment Manager or Freehold	Freehold Investment Management Limited ACN 099 959 958 AFSL 339008.
PDS	Product disclosure statement.
Portfolio Service	A master fund, wrap account or IDPS. Investors who apply via a Portfolio Service will be Indirect Investors.
REP or Responsible Entity (we, us and our)	Responsible Entity Partners Limited ACN 119 757 596 AFSL 304542.
Retail Client	An Investor who is a retail client for the purposes of section 761G and 761GA of the Corporations Act.
Unit	A unit in the Fund.
Wholesale Client	An Investor who is a wholesale client for the purposes of sections 761G or 761GA of the Corporations Act.

