

## Updated Annual Fees & Costs and Transactional & Operational Costs for the financial year ended 30 June 2018

22 October 2018

Cromwell Funds Management Limited (CFM) is the Responsible Entity of the Cromwell Direct Property Fund (the Fund).

### Annual Fees and Costs

In section 5.2 of the Fund's product disclosure statement dated 29 September 2017 (PDS), CFM provides an example of the annual fees and costs associated with an investment in the Fund and a breakdown of management costs.

CFM wishes to update this disclosure based on amounts for the financial year ended 30 June 2018:

### 5.2 Example of Annual Fees and Costs

The table below gives an example of how the fees and costs for the product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

#### EXAMPLE

<b>CROMWELL DIRECT PROPERTY FUND<sup>1</sup></b>		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR<sup>2</sup></b>
<b>Contribution Fee</b>	0%	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS Management Costs</b>	1.47% per annum <sup>3</sup>	And, for every \$50,000 you have in the Fund you will be charged \$735 each year.
<b>Equals Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put an additional \$5,000 in during that year then for that year, you would be charged fees of: \$735 - \$809 <b>What it costs you will depend on the fees you negotiate with your financial adviser.</b>

1. This example does not include any additional fees that your financial adviser or IDPS operator may charge you.
2. The minimum initial investment amount for the Fund is \$10,000. The minimum additional investment amount is \$1,000.
3. This is the Fund's indirect cost ratio (ICR) and represents the ratio of the management costs of the Fund to the total average net assets of the Fund for the previous financial year. The ICR includes management costs incurred in any Property Trusts. The ICR will change over time as the management costs of the Fund and any Property Trusts into which it invests change.

BREAKDOWN OF MANAGEMENT COSTS	AMOUNT
Management fee	0.36% <sup>4</sup>
Annual administration cost	0.20% <sup>5</sup>
Acquisition fees	0.57% <sup>6</sup>
Performance fees	0.00% <sup>7</sup>
Indirect costs	0.34% <sup>8</sup>
<b>Total management costs</b>	<b>1.47%</b>

4. Management fee of 0.60% p.a. of the Fund's gross asset value represented as a percentage of the Fund's net asset value.
5. Annual administration costs of 0.20% of the Fund's net asset value for the 12 months to 30 June 2018.
6. Of the Fund's net asset value. This amount will depend on the Fund's investment activity.
7. Of the Fund's net asset value. This amount will depend on the Fund's performance.
8. Indirect costs of investing in Property Trusts represented as a percentage of the Fund's net asset value. This amount will depend on the Fund's portfolio composition.

Section 5.2 of the PDS should be read accordingly.

### **Transactional and Operational Costs**

As disclosed in section 5.3.2 of the PDS, transactional and operational costs are disclosed based on amounts paid in the previous financial year and in any year will differ depending on the investment activity of the Fund.

CFM wishes to disclose that the total transactional and operational costs of the Fund for the financial year ended 30 June 2018 were 2.28% of the Fund's assets under management, or \$1,140 for a \$50,000 investment in the Fund.

Section 5.3.2 of the PDS should be read accordingly.

If you have any questions or would like to know more about the Cromwell Direct Property Fund, please visit [www.cromwell.com.au/DPF](http://www.cromwell.com.au/DPF) or contact Cromwell's Investor Services Team on 1300 268 078 or email [invest@cromwell.com.au](mailto:invest@cromwell.com.au).

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333214 (CFM) has prepared this notice and is the responsible entity of, and the issuer of units in, the Cromwell Direct Property Fund ARSN 165 011 905 (Fund). In making an investment decision in relation to the Fund, it is important that you read the product disclosure statement dated 29 September 2017 (PDS). The PDS is issued by CFM and is available from [www.cromwell.com.au/dpf](http://www.cromwell.com.au/dpf) or by calling Cromwell's Investor Services Team on 1300 268 078. Applications for units in the Fund can only be made on the application form accompanying the PDS. This notice has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the PDS and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in this notice. If you acquire units in the Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the PDS.

**Please note:** Any investment, including an investment in the Fund, is subject to risk. If a risk eventuates, it may result in reduced distributions and/or a loss of some or all of the capital value of your investment. See the PDS for examples of key risks. Past performance is not a reliable indicator of future performance. Forward-looking statements in this update are provided as a general guide only. Capital growth, distributions and tax consequences cannot be guaranteed. Forward-looking statements and the performance of the Fund are subject to the risks and assumptions set out in the PDS.