

## 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 Phoenix Opportunities Fund (the Fund).

### Annual Fees and Costs

In section 6 of the Fund's product disclosure statement dated 29 September 2017 (PDS), CFM provides a breakdown of management costs and an example of the annual fees and costs associated with an investment in the Fund.

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

### 6. Fees and costs

TYPE OF FEE OR COST	AMOUNT
<b>Breakdown Of Management Costs</b>	
Base management fee	Nil
Performance fee	3.46% <sup>1</sup>
Annual administration costs	0.15% <sup>2</sup>
Indirect costs	0.13% <sup>3</sup>
<b>Total management costs</b>	<b>3.74%</b>

1. Based on the Fund's average net assets for the 12 months ending 30 June 2018 where performance of the Fund was 22.7%. This is not a forecast. Our reasonable estimate at the date of this notice of the performance fee we expect to charge on a typical basis is 2.0% p.a. It is based on estimated performance of 9.2% p.a., using the annualised 30-year performance of the All Ordinaries Accumulation Index. The All Ordinaries Accumulation Index is considered a reasonable proxy, given its 30-year history takes into account years of low (and negative) performance.
2. Annual administration costs of 0.20% of the Fund's net asset value for the 12 months to 30 June 2018.
3. Of the Fund's net asset value. This amount will depend on the Fund's investment activity.

### Table 1 Example of annual fees and costs for the Fund

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

EXAMPLE:	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
<b>Contribution Fee</b> 0%	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS Management Costs</b> 3.74%	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$1,870 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: \$1,870 - \$2,057. <b>What it costs you will depend on the fees you negotiate with your financial adviser.</b>

Section 6 of the PDS should be read accordingly.

### **Transactional and operational costs**

As disclosed in the Fund's Additional Information Document dated 29 September 2017 (AID), 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 0.11% of the net assets of the Fund (e.g., \$55 for every \$50,000 of net assets).

If the buy/sell spread applied is not sufficient to cover the Fund's total transactional and operational costs, the balance of the costs will be paid out of the Fund's assets. If the buy/sell spread applied exceeds the Fund's transactional and operational costs, the balance of the buy/sell spread will be retained by the Fund. The deficit of transactional and operational costs not covered by the Fund's buy/sell spread for the financial year ending 30 June 2018 was 0.03% of the net asset value of the Fund (e.g., \$15 for every \$50,000 of net assets).

The relevant part of the AID should be read accordingly.

If you have any questions or would like to know more about the Cromwell Phoenix Opportunities Fund, please visit [www.cromwell.com.au/POF](http://www.cromwell.com.au/POF) 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 Phoenix Opportunities Fund ARSN 602 776 536 (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/pof](http://www.cromwell.com.au/pof) or by calling Cromwell Investor Services on 1300 268 078. The Fund is not open for investment. 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.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300302 (Phoenix) is the investment manager of the Fund. None of CFM, Phoenix, nor their related entities, directors or officers makes any promise or representation, or gives any guarantee as to the success of the Fund, distributions, the amount you will receive on withdrawal, your income or capital return or the tax consequences of investing.

**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 notice 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.