

Updated Annual Fees & Costs for the financial year ended 30 June 2024

24 October 2024

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

Updated Fees & Costs for the financial year ended 30 June 2024

In section 5 of the Fund's product disclosure statement dated 17 November 2020 (PDS), CFM provides details of the fees and costs associated with an investment in the Fund.

CFM wishes to update the fees and costs disclosure in sections 5.1, 5.2, 5.3.1 and 5.3.2 of the PDS based on amounts for the financial year ended 30 June 2024 as set out below. Accordingly, all references to fees and costs in section 5 of the PDS are to be read based on the amounts in the tables as follows:

5.1 Fees & Costs Summary

This table shows 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 assets as a whole.

Taxation information is set out in Section 6.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Cromwell Direct Property Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Management fees and costs</i>	Ongoing Fund management fee of 0.60% p.a. of the Fund's Gross Assets ² (i.e., \$60 out of every \$10,000 of the Gross Assets).	Calculated daily and payable to CFM monthly in arrears unless waived or deferred. Paid from Fund assets.
The fees and costs for managing your investment		When calculating Gross Assets, the gross value of Direct Property and the Fund's share of Gross Assets of any Property Trust will be used, rather than its net asset value. The fees will be proportionately reduced to the extent any management fees are charged by CFM or another wholly-owned subsidiary of Cromwell to that Property Trust.

Cromwell Direct Property Fund

Type of fee or cost	Amount	How and when paid
	Ongoing Fund administration costs of 0.29% p.a. of the Fund's net asset value ³ (i.e., \$29 out of every \$10,000 of net asset value).	Payable to CFM when incurred. If expenses are initially paid by CFM, CFM is entitled to be reimbursed upon presentation of relevant invoices. Paid from Fund assets.
	Indirect costs of 0.02% p.a. of the Fund's net asset value ³ (i.e., \$2 out of every \$10,000 of net asset value).	Payable when incurred. Payable from Fund assets or interposed vehicles' assets and reflected in the unit price.
<i>Performance fees</i> ⁴ Amounts deducted from your investment in relation to the performance of the product	The 5-year historical average for the performance fees is 0.05% p.a. of the Fund's net asset value ³ (i.e., \$5 out of every \$10,000 of net asset value).	Calculated as 20% of the outperformance above the Benchmark. Any underperformance must be recovered before the fee is payable. Performance fees may also be payable by the Property Trusts in which the Fund invests. Payable to CFM quarterly in arrears or payable to the trustee or manager of the relevant Property Trust. Paid from Fund or Property Trust's assets and reflected in the unit price.
<i>Transaction costs</i> ⁵ The costs incurred by the scheme when buying or selling assets	0.04% p.a. of the Fund's net asset value ³ (i.e., \$4 out of every \$10,000 of net asset value).	Payable when incurred. Payable from Fund assets or interposed vehicles' assets and reflected in the unit price. Transaction costs include the acquisition fee up to 2.0% of the gross value of any Direct Property asset acquired or of the relevant proportion of the gross value of a Property Trust's property assets. Cromwell will waive the acquisition fee in relation to an investment in a

Cromwell Direct Property Fund

Type of fee or cost	Amount	How and when paid
		Property Trust established and managed by Cromwell when the underlying net asset value of the investment has not recovered to at least its Initial Issue Price. Payable to Cromwell at the end of the month in which the acquisition of the Property Trust units or Direct Property is completed. Paid from the Fund or sub-trust's assets. Where an asset is under construction, the acquisition fee is charged monthly in arrears in proportion to the percentage of building works completed.

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)⁶

<i>Establishment fee</i>	Nil	Not applicable
The fee to open your investment		
<i>Contribution fee</i>	Nil	Not applicable
The fee on each amount contributed to your investment		
<i>Buy-sell spread⁷</i>	Nil	The costs of buying and selling units in the Fund are taken into account in calculating the net asset value of the Fund.
An amount deducted from your investment representing costs incurred in transactions by the scheme		
<i>Withdrawal fee</i>	Nil	Not applicable
The fee on each amount you take out of your investment		
<i>Exit fee</i>	Nil	Not applicable
The fee to close your investment		
<i>Switching fee</i>	Nil	Not applicable
The fee for changing investment options		

1. Fees and costs set out in this section may be negotiated or waived by CFM. See Section 5.3.5 'Differential Fees' and Section 5.4 'Waiver or Deferral of Fees' for more detail.

2. Ongoing management fees are calculated daily and charged monthly in arrears. For the purpose of calculating fees, the amount of Gross Assets is determined using the latest available management accounts.
3. Based on amounts paid for the year to 30 June 2024.
4. See Section 5.3.1 "Performance Fee" for more detail.
5. See Section 5.3.2 "Transaction Costs" for more detail.
6. Advice fees agreed between you and your financial adviser, and other service fees, may apply to your investment in the Fund. See Section 5.6 for further details about the advice fees that may be payable.
7. CFM may introduce or vary the buy/sell spread from time to time. See Section 5.3.2 "Buy/sell spread" for more detail.

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 1-year period. You should use this table to compare this product with other managed investment products.

EXAMPLE

CROMWELL DIRECT PROPERTY FUND¹		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR²
Contribution Fee	0%	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	1.45% ³	And, for every \$50,000 you have in the Fund you will be charged or have deducted from your investment between \$725 and \$798 each year.
PLUS Performance fees	0.05% ⁴	And, you will be charged or have deducted from your investment between \$25 to \$28 in performance fees.
PLUS Transaction costs	0.04% ³	And, you will be charged or have deducted from your investment between \$20 and \$22 in transaction costs each year.
EQUALS Cost of Fund ⁵	1.54%	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 between \$770 and \$847. What it costs you will depend on the fees you negotiate with your financial adviser.

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. These amounts represent the ratio of the Fund's management fees and costs and transaction costs to the Fund's total average net assets for the year to 30 June 2024.
4. This amount represents the ratio of the Fund's average annual performance fee to the Fund's total average net assets for the five years to 30 June 2024.
5. The fees and costs of the Fund will change over time as the costs of managing the Fund and the Fund's investments change and based on the performance of the Fund. For example, in years where the Fund or a Property Trust acquires property, an acquisition fee and other transaction costs will be paid and the Fund's transaction costs will therefore be higher than in years when no acquisitions are made. Changes to the fees and costs of the Fund may take the form of a notice on the Fund's website. Further information is included under the heading 'Additional explanation of fees and costs'.

BREAKDOWN OF MANAGEMENT FEES AND COSTS	AMOUNT
Management fee	1.14% ¹
Annual administration cost	0.29% ²
Indirect costs	0.02% ³
Total management fees and costs	1.45%

1. 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.
2. Annual administration costs of 0.29% of the Fund's net asset value for the 12 months to 30 June 2024.
3. Indirect costs of investing in Property Trusts represented as a percentage of the Fund's net asset value for the 12 months to 30 June 2024. This amount will depend on the Fund's portfolio composition.

5.3.1 ONGOING MANAGEMENT FEES AND COSTS

Performance Fee

The five-year historical average for the performance fee is 0.05% per annum of the Fund's net asset value.

The five-year historical average has been calculated on performance fees paid or payable in the Property Trusts as follows:

	2024	2023	2022	2021	2020	Average
Performance Fees (% of each year's average net assets)	0.00%	0.00%	-0.12%	0.32%	0.10%	0.05%
Performance (\$)	\$0	\$0	\$(492,574)	\$1,066,629	320,611	\$178,933

Any minor variation in performance fees from those disclosed in the PDS is due to calculation on an accrued basis rather than a paid basis.

Acquisition Fee

The information about the acquisition fee is moved to section 5.3.2.

5.3.2 Transaction Costs

Transaction costs are costs incurred by the Fund for dealing with the Fund's assets. These costs include due diligence costs, stamp duty, legal, advisory and other professional costs and includes the transaction costs of interposed vehicles and acquisition fees.

The Fund did not acquire any assets in the 12 months ending 30 June 2024, however it entered into contract negotiations for the sale of an asset, which did not proceed, and as such there were selling costs incurred for that 12-month period (due diligence, marketing and legal fees).

During the financial year ending 30 June 2024, CFM announced it had entered into a Merger Implementation Deed with Australian Unity Property Limited, responsible entity for the Australian Unity Diversified Property Fund. Whilst the transaction did not proceed, the Fund did incur costs of \$627,000. These costs have been excluded from the calculations in the below table.

Transaction cost	Amount (% of Net Assets)	How and when paid
Due diligence costs	0.01%	Payable when incurred. Payable from Fund assets or interposed vehicles' assets
Stamp duty	0.00%	As above
Professional fees (including legal, accounting, tax)	0.03%	As above
Property acquisition costs	0.00%	As above
Sales commission	0.00%	As above

Acquisition fee	0.00%	Payable upon acquisition of any property. Payable first out of fund income, then out of fund capital.
Total	0.04%	

The total gross transaction costs of the Fund were 0.04% of the Fund's net assets, or \$20 for a \$50,000 investment in the Fund. Because the current buy/sell spread is nil, this is the same as the transaction costs shown in the fees and costs summary at Section 5.1, which must be disclosed net of any amount recovered by a buy/sell spread. These costs are additional costs to investors because they have not already been recovered by the buy/sell spread.

The information contained in the PDS is up to date as at 17 November 2020. The updates to the fees and costs information in the PDS contained in this notice do not contain any materially adverse information.

Where permitted updates to information contained in the PDS will be published as a continuous disclosure notice on the website for the Fund located at www.cromwell.com.au/DPF

A paper copy of the PDS or any other updated information for the Fund will be given, or an electronic copy made available, to a person without charge upon request.

If you have any questions or would like to know more about the Cromwell Direct Property Fund, please visit www.cromwell.com.au/DPF or contact Cromwell's Investor Services Team on 1300 268 078 or email 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 deciding whether to acquire or continue to hold an investment you should consider the Product Disclosure Statement (PDS) and assess, with (or without) your financial adviser, whether products fit your objectives, financial situation or needs. A target market determination (TMD) is also available. Applications for units in the Fund can only be made on the application form. The PDS, TMD and application form are issued by CFM and are available from www.cromwell.com.au/dpf or by calling Cromwell's Investor Services team on 1300 268 078. This content has been prepared without taking account of 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 update. 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 indicative 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.