

LAKEHOUSE SMALL COMPANIES FUND (ARSN 615 265 864)

Continuous Disclosure Notice and Statement to Update PDS Information

Dated 1 September 2017

Issued by One Managed Investments Funds Limited (OMIFL) in its role as responsible entity of the Lakehouse Small Companies Fund, ARSN 615 265 864 (Fund)

The purpose of this Notice and Statement is to:

- (a) update the PDS for the Fund (including the Additional PDS) each dated 15 November 2016, with information which does not include any materially adverse information; and*
- (b) to provide existing unitholders information about certain changes which have been made in relation to the Fund.*

Amendments to the investment management agreement

OMIFL has agreed with the investment manager of the Fund, Lakehouse Capital Pty ACN 614 957 864 (**Lakehouse**), to vary the terms of the existing investment management agreement, to clarify the manner in which the performance fee is calculated. The main change is designed to ensure that the high water mark of the Fund is the highest net asset value of a Unit in respect of which a Performance Fee has been paid or becomes payable.

Consequential changes to the drafting of the PDS which follow from this change are as follows:

6.1.1 Fees payable to the Investment Manager

The performance fee amount will be calculated as 15% of the lower of:

(a) the amount by which the percentage change in the net asset value per Unit in the Fund over the Performance Period (~~including plus~~ any distributions paid during the Performance Period) exceeds the percentage change in the Benchmark over the Performance Period, multiplied by the net asset value per Unit; and

(b) the amount by the net asset value per Unit (~~including plus~~ any distributions paid during the Performance Period) as at the last Valuation Time of the relevant Performance Period exceeds the high watermark,

multiplied by the number of Units on issue as at the last Valuation Time of the relevant Performance Period.

Where:

(c) the high watermark for a Unit means the amount which is the greater of the Application Price of the first Unit issued in the Fund and the highest net asset value of a Unit (adjusted for any performance fee and distributions paid in respect of the a Unit) at the end of the a prior Performance Period ~~where~~ in respect of which a performance fee has been paid or become payable; and

Changes to information regarding the Fund's transaction costs

As the Fund has been in operation since 15 November 2016, OMIFL updates by this Notice and Statement the disclosures relating to the transaction costs of the Fund in the PDS and the ADPS so that the amounts and information account for the performance of the Fund during the first financial year of its operations. OMIFL considers the estimated transaction costs in the PDS and the ADPS remain correct for the current financial year, and therefore the proposed changes to the PDS and the ADPS relate only to the basis for the determination of the Fund's transaction costs (as described below).

OMIFL does not consider these changes to have a material adverse impact on investors.

Consequential changes to the drafting of the PDS and APDS which follow from this update are as follows:

Changes to the PDS

6.2.1 Buy/sell spread

~~The Fund is newly formed with no operating history therefore the~~ The transaction costs disclosed in this section are based on reasonable estimates of the costs to the Fund incurred in respect of a financial year based, in part, on at the date of this PDS the costs incurred by the Fund during the period of 15 November 2016 (Fund inception) to 30 June 2017, which may vary in future years.

6.3 Example of annual fees and costs

~~The Fund is newly formed with no operating history therefore the~~ The amounts below are based on reasonable estimates of the costs to the Fund incurred in respect of a financial year based, in part, on at the date of this PDS the costs incurred by the Fund during the period of 15 November 2016 (Fund inception) to 30 June 2017, which may vary in future years.

Changes to the APDS

3.1 Performance Fee

The changes made to paragraphs (a) and (b) in section 6.1.1 of the PDS (as described above) will be made to paragraphs (a) and (b) of this section in the ADPS.

Limited operating history risk

~~The As the Fund is newly formed with no~~ was formed on 15 November 2016, it has a limited operating history upon which Investors can evaluate its likely performance. Accordingly, there can be no assurance the Fund will achieve its investment objective.

LAKEHOUSE CAPITAL

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Any questions?

If you have any questions or require further information, please speak with your financial adviser or contact the registrar at Lakehouse@oneregistryservices.com.au or on + 61 2 8188 1510

The information in this Notice and Statement is current as at the date of this notice but may be subject to change. This notice is issued by One Managed Investment Funds Limited (ACN 117 400 987 AFSL No.297042). The information is of a general nature and does not take into account an investor's personal needs, financial circumstances or objectives. Before disposing or deciding whether to continue to hold the product/s, investors should consider the PDS and APDS, this Notice and Statement and any other current notices which are available at www.oneinvestment.com.au/lakehouse or by calling the registrar at + 61 2 8188 1510.