

1 August 2018

## **FOLKESTONE MAXIM A-REIT SECURITIES FUND**

ARSN 116 193 563

### **UPDATED INFORMATION**

*The purpose of this Update is to update the PDS for the Fund dated 11 June 2014, with information which does not include any materially adverse information*

### **Updated fees and costs disclosure information for the Fund**

The requirements for fees and costs disclosure for managed investment schemes offered to retail investors has been modified by ASIC Class Order [CO 14/1252]. This means that the disclosure of fees and costs for the Fund needs to be updated. As responsible entity for the Fund, One Managed Investment Funds Limited, has formed the view that the changes in disclosure for the Fund are not materially adverse to investors. Consequently, the relevant updated information is being provided to investors through a website disclosure rather than through the issuance of a new product disclosure statement ("PDS"). The following information is to be read in conjunction with the PDS for the Fund dated 11 June 2014.

#### **Management Costs**

Management Costs are made up of the Management Fee and Indirect Costs, which include any Expenses not paid out of the Management Fee (refer to 'Management Costs' in section 6 of the PDS). For the year ended 30 June 2018, the gross assets of the Fund were greater than \$50million (\$63.17million) and so the Management Costs for the Fund were 0.95% p.a. of the gross assets of the Fund for the first \$50million and then 0.85% p.a. on the balance above \$50million, being \$13.17million.

To the extent that the Fund incurs any Extraordinary Expenses (refer to 'Extraordinary Expenses' in section 6 of the PDS) these amounts will be paid from the Assets of the Fund and classified as Indirect Costs of the Fund going forward. There were no Extraordinary Expenses from the Fund in the financial year ended 30 June 2018 and so the Indirect Costs for the Fund for the year ended 30 June 2018 were nil.

#### **Transactional and operational costs**

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage costs when assets are bought and sold. These are reflected in the Fund's unit price. These costs are generally incurred as a result of investment decisions made by the Manager or applications or redemptions from the Fund (refer to 'Buy/sell spread in section 6 of the PDS).

Transactional costs which are incurred other than in connection with applications and redemptions arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price. As these costs are factored into the asset value of the Fund's assets and reflected in the unit price, they are an additional implicit cost of investing to the investor and are not a fee paid to the Responsible Entity. These costs can arise as a result of bid-offer spreads being applied by trading counterparties to securities traded by the Fund.



# Folkestone

MAXIM ASSET MANAGEMENT

We estimate that the total transaction costs for the Fund during the financial year ending 30 June 2018 was 0.45% of the NAV of the Fund, of which 0.273% is reasonably estimated to be recouped via the Buy-Sell spread when applications or redemptions take place, resulting in a net transaction cost to the Fund of 0.178% of the NAV of the Fund. The dollar value of these costs over a 1 year period based on an average account balance of \$50,000 is \$88.84. These costs may differ in future years. If the level of costs exceeds the Buy-Sell spread, there will be additional transaction costs incurred by the Fund, affecting investors' returns.

## Change to Responsible Entity's Phone Number

While the Responsible Entity may be reached on the number shown in the PDS, the best telephone number to use when contacting the Responsible Entity is (02) 8277 0000.

Folkestone Maxim A-REIT Securities Fund (ARSN 116 193 563) (Fund). The responsible entity for the Fund is One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) and Folkestone Maxim Asset Management Limited (ABN 25 104 512 978 ) (AFSL 238349) is the Investment Manager for the Fund.