

# BLUE SKY APEIRON GLOBAL MACRO TRUST

ARSN 151 739 730  
APIR PRODUCT CODE BSP0001AU

## PRODUCT DISCLOSURE STATEMENT

1 August 2011

**ISSUER AND RESPONSIBLE ENTITY**

Blue Sky Private Equity Limited | ABN 45 125 223 958 | AFSL 314 177 | APIR Participant Code BSPX100AU

**MANAGER**

Blue Sky Apeiron Pty Limited | ABN 23 117 598 115

# CONTENTS

SECTION	PAGE
IMPORTANT NOTICE	3
INTRODUCTION	5
1 EXECUTIVE SUMMARY	6
2 INVESTING IN THE FUND	8
3 ABOUT BLUE SKY APEIRON	9
4 SUMMARY OF KEY TERMS	11
5 FEES AND COSTS	14
6 RISK FACTORS	19
7 TAXATION	21
8 MATERIAL CONTRACTS	24
9 ADDITIONAL INFORMATION	25
10 GLOSSARY	29
11 HOW TO APPLY	31
AML/CTF CHECKLIST	32
APPLICATION FORM	33
DIRECT DEBIT AUTHORISATION FORM – REGULAR INVESTMENT OPTION	37
CORPORATE DIRECTORY	39

# IMPORTANT NOTICE

## FUND

The Blue Sky Apeiron Global Macro Trust (ARSN 151 739 730, APIR Code BSP0001AU) ('Fund') was established in July 2011. This Product Disclosure Statement ('PDS') relates to the offer by the Issuer of A Class Units in the Fund. This PDS contains a non-exhaustive summary of key features of the Fund. The Fund will invest as outlined in Section 1 'Executive Summary' under 'Fund Investments' on page 6.

## ISSUER AND RESPONSIBLE ENTITY

Blue Sky Private Equity Limited (ABN 45 125 223 958, Australian Financial Services Licence ('AFSL') 314 177, APIR Code BSPX100AU) ('Blue Sky', 'Blue Sky Private Equity', 'Issuer', 'Responsible Entity', 'we', 'our' or 'us') is the Responsible Entity of the Fund. Blue Sky is the issuer of the Units in the Fund and of this PDS dated 1 August 2011.

## MANAGER

Blue Sky Apeiron Pty Limited (ABN 23 117 598 115) will be the investment manager of the Fund ('Manager') and will operate as an authorised representative of the Issuer (no. 355 254) under the Issuer's AFSL. The Manager does not and is not required as at the date of this PDS to hold an AFSL.

## OFFER

This PDS invites you to apply for A Class Units in the Fund by way of an Application Form attached to or accompanying this PDS. The Offer is open to both Wholesale Clients and Retail Clients, who are Australian residents and have received this PDS in Australia. An electronic version of this PDS is available on request. If you access an electronic copy of this PDS, then you should ensure that you download and read the entire PDS. This PDS constitutes an offer or invitation of financial products to persons within Australia only. The Australian Securities and Investments Commission ('ASIC') takes no responsibility for the contents of this PDS. Other than Blue Sky, no person has caused or authorised the issue of this PDS nor do any of them take any responsibility for the preparation of this PDS or the establishment or performance of the Fund. The Fund is registered as a managed investment scheme with ASIC. This PDS has not been lodged with ASIC and has not been approved by ASIC. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to or accompanied by a printed copy of this PDS or a complete unaltered electronic version of this PDS.

## NO INVESTMENT ADVICE

Neither the Issuer or the Manager or any of their related bodies corporate, affiliates, directors, employees, consultants, associates or officers of any of these entities make any recommendation as to the suitability of an investment in the Fund for any Investor, nor makes any representation or gives any assurance as to the performance of the Fund or any particular rate of capital or income return or repayment of capital from the Fund. Before making an investment decision on the basis of this PDS, you should read this PDS carefully in its entirety and consider, in conjunction with your financial adviser, whether an investment in the Fund is appropriate to your particular investment needs, objectives, financial and taxation circumstances. Prospective Investors should refer to Section 6 'Risk Factors' of this PDS and consider the risks associated with an investment in the Fund. You are encouraged to obtain independent legal, taxation and financial advice.

## NO GUARANTEE OF FUTURE PERFORMANCE

Neither the Issuer or the Manager nor any other person guarantees the future performance of the Fund or any return on any investment under this PDS.

## FORWARD LOOKING STATEMENTS

Forward looking statements in this PDS (including statements of intention, projections and expectations of investment opportunities) are made only at the date of this PDS based on current expectations and beliefs but involve risks, contingencies, uncertainties and other factors beyond the control of the Issuer or Manager which may cause actual outcomes to be materially different. Assumptions underlying such statements involve judgments which may be difficult to accurately predict. Therefore, such forward looking statements included in this PDS may prove to be inaccurate and should not be relied upon as indicative of future matters.

## NO REPRESENTATIONS OTHER THAN IN THIS PDS

Blue Sky has not authorised any person to give any information or to make any representation in connection with this Offer that is not contained in this PDS. No such information or representation in connection with the Offer, which is not contained in this PDS, should be relied upon in making an investment decision about this Offer.

## UPDATED INFORMATION

---

Information contained in this PDS is subject to change and may be updated from time to time. We will notify you of any changes that have a material adverse effect on you or the information contained in this PDS. Updated information including information that is materially adverse information may be accessed on the Issuer's website at [www.blueskyfunds.com.au](http://www.blueskyfunds.com.au). A paper copy of the updated information will also be available free of charge upon request from the Issuer. Where updated information is materially adverse to Investors, the Issuer may take a number of actions which include issuing a new or supplementary PDS. If the change is materially adverse to Investors or contains an increase in fees and costs charged, at least 30 days notice will generally be given to you. If there is a change or event that is not an increase in fees and charges, the notice may be given more than 3 months after the change or event occurs if the Responsible Entity reasonably believes the event is not adverse to the Investor's interests and Investors would not be expected to be concerned about the delay in receiving information. If you have invested through an IDPS, the operator of that service should also be able to assist you with obtaining any updated information.

## DEFINED WORDS AND EXPRESSIONS (GLOSSARY)

---

Some words and expressions used in this PDS are capitalised as they have defined meanings. The Glossary in Section 10 on page 29 defines these words and expressions. The Glossary also includes the descriptions of some specific investment terms used in this PDS. Fees and costs stated in this PDS are inclusive of any applicable GST net of any reduced input tax credits. All dollar amounts are expressed in Australian dollars unless specified otherwise.

## ENQUIRIES

---

If you have questions in relation to the Offer, please consult your financial adviser or other professional adviser. If you have any questions about how to apply please contact:

### Blue Sky Private Equity Limited

**Telephone:** (07) 3270 7500  
**Fax:** (07) 3270 7599  
**Email:** [investorservices@blueskyfunds.com.au](mailto:investorservices@blueskyfunds.com.au)

# INTRODUCTION

Dear Investor,

As a director of Blue Sky Private Equity Limited, I have great pleasure in presenting this Product Disclosure Statement for your consideration.

The Blue Sky Apeiron Global Macro Trust offers a unique investment opportunity that adds diversification to an Investor's overall investment portfolio.

The Fund's investment strategy has a low correlation with traditional investment markets such as shares, property and fixed income.

The Fund specialises in international investment opportunities, with a predominant focus on global macro investments. Money raised through the Offer will be managed by Blue Sky Apeiron Pty Limited ('Blue Sky Apeiron') in a variety of domestic and international investment instruments, including:

- derivatives;
- foreign exchange;
- securities;
- interest rates;
- futures contracts, including commodities and precious metals; and
- direct equities.

Blue Sky Apeiron is a specialist investment manager, with highly qualified and experienced directors. The key personnel of the Manager involved in all investment decisions have a history of exceptional performance at a high level in investment banking and funds management.

Investors in the existing wholesale funds managed by Blue Sky Apeiron have enjoyed strong risk adjusted returns since their investment, despite challenging market conditions. The Manager's performance has been recognised by the Australian Hedge Fund Industry, with Blue Sky Apeiron winning the award for the Best Emerging Manager at the Australian Hedge Fund Awards in 2009, and being nominated as a finalist in the 2008 Australian Hedge Fund Awards, in the Global Macro/Managed Futures category.

You should seek independent advice as to the suitability of this investment to your own position. Investors are required to complete the Application Form in this PDS.

Investors should note that investments used in the Fund are subject to a number of risks and may be considered speculative. Therefore, Investors should carefully read this PDS in full, understand the investment strategy and seek taxation and legal advice prior to making an investment decision.

We would like to take this opportunity to thank you for considering this investment opportunity.

Regards,



**Mark Sowerby**

Director  
Blue Sky Private Equity Limited

# SECTION 1: EXECUTIVE SUMMARY

## THE OFFER

This PDS provides general information for Applicants interested in the opportunity to invest in A Class Units in the Fund.

## FUND INVESTMENTS

The Fund may invest in any Derivative or physical instrument or asset from any asset class and/or currency subject to consistency with its risk profile. Typically, the Fund will be physically invested in cash and short-term fixed interest securities with Derivative overlays utilised to achieve exposures to desired positions in markets. At times physical assets or instruments may be utilised to give effect to the Fund's strategies. The choice between types of instruments is dictated by the need to execute strategies in a targeted, cost efficient and risk controlled manner. In the management of the Fund extensive use will be made of exchange trades, over the counter swaps, options, currency forwards and futures. The risks associated with these instruments are explained in Section 6 'Risk Factors'.

The Manager does not take into account labour standards or environmental, social or ethical considerations in the context of making investment decisions relating to the Fund.

## GLOBAL MACRO FUNDS AS AN INVESTMENT CLASS

Global macro funds focus on identifying extreme price valuations and Leverage is often applied on the anticipated price movements in equity, currency, interest rate and commodity markets. Managers typically employ a top-down global approach to concentrate on forecasting how political trends and global macroeconomic events affect the valuation of financial instruments.

Profits are made by correctly anticipating price movements in global markets and having the flexibility to use a broad investment mandate, with the ability to hold positions in practically any market with any instrument. These approaches may be systematic trend following models, or discretionary.

## BENEFITS OF GLOBAL MACRO FUNDS

- Historically have outperformed other hedge fund strategies;
- Historically have outperformed the broader equity market;
- Have delivered the outperformance with less volatility;
- Have delivered the outperformance with a low correlation to traditional asset classes.

Source: Dow Jones Credit Suisse Hedge Fund Index Monthly Hedge Fund Market Commentary May 2011 ([www.hedgeindex.com](http://www.hedgeindex.com))

## BENEFITS OF INVESTING IN THE FUND

Key benefits of investing in the Fund are:

### THE POTENTIAL OF HIGH ABSOLUTE RETURNS

The Fund targets an investment return of 15% per annum (before tax and Performance Fees and after other fees and expenses) over rolling three year periods.

### RETURNS UNCORRELATED WITH EQUITY MARKETS

Investment returns have low correlation with equity markets, providing diversification benefits to Investors.

### BROAD INVESTMENT APPROACH

Investment approach combines economic research and behavioural psychology, significantly enhancing the flexibility of the portfolio in volatile markets. Each investment opportunity is consistently weighted based on insight and conviction.

### DISCIPLINED RISK MANAGEMENT

A tiered risk management approach ensures the return distribution has a strong positive skew – keeping losses small and letting profits run.

### ACCESS TO YOUR INVESTMENT

Investors can redeem their investments on a monthly basis, subject to the terms and conditions on page 13.

### ESTABLISHED AND SUCCESSFUL

The Manager has managed investors' funds for over 5 years through volatile markets and has delivered strong returns since inception.

### LOW MINIMUM INVESTMENT

The minimum investment amount is \$20,000.

## OFFER SUMMARY

The offer summary below outlines certain terms of the Offer and investing in the Fund.

### FUND SIZE

The Fund is not subject to any minimum or maximum investment limits.

### FUND STRUCTURE

The Fund is registered as a managed investment scheme with ASIC and will make investments as outlined in this PDS.

The Fund is constituted as an open ended unit trust. Investors in the Fund will be issued fully paid A Class Units. Investments in the Fund will be made available to potential Investors, including Retail Clients and Wholesale Clients. The Fund's structure and features are more fully described in Section 4 'Summary of Key Terms' and Section 5 'Fees and Costs' of this PDS.

The Fund is only offering A Class Units under this PDS, but may in the future issue additional classes of Units with different rights and obligations. As at the date of this PDS, the Fund has not issued any other classes of Units.

In accordance with the Constitution, the Responsible Entity may determine the Subscription Price and Redemption Price for separate classes of Units based on the assets, liabilities, revenues and expenses properly attributable to the classes and number of Units in the class.

### RECOMMENDED MINIMUM INVESTMENT TERM

The recommended minimum investment term for A Class Units in the Fund is three years.

### TARGET FUND RETURNS

The Fund will target a 15% return per annum (before tax and Performance Fees and after other fees and expenses) over rolling three year periods. There is no guarantee that the Fund will meet this target. The returns generated in the Fund are expected to be from income rather than from capital gains.

## FEES / COSTS

### Management Fee

An amount equal to 1.5375% per annum (inclusive of the net effect of GST) of the Net Asset Value ('NAV') of the Fund before the accrual of Management Fees and Performance Fees, is payable to the Manager. The Management Fee is deducted from the assets of the Fund and payable to the Manager monthly in arrears.

### Performance Fee

The Manager will also receive a Performance Fee equal to 20.5% (inclusive of the net effect of GST) of any outperformance of the Reserve Bank of Australia Cash Rate ('Benchmark') and subject to achieving its High Water Mark. The Performance Fee is calculated and accrued monthly and paid quarterly in arrears to the Manager out of the assets that relate to the A Class Units.

## CUSTODIAN

The Responsible Entity has appointed an independent custodian to hold the assets of the Fund. The Custodian of the Fund is Australian Executor Trustees Limited ('AET'). AET is one of Australia's largest and oldest statutory trustee companies. It has a wealth of experience in acting as either trustee or custodian. AET is a subsidiary of Australian Wealth Management Limited, who in turn is part of IOOF Holdings Ltd (IOOF Group), a leading provider of wealth management products and services in Australia, and is listed on the Australian Securities Exchange.

## RISKS

The Fund is subject to a number of risks and it is important that you understand the types of risks associated with making an investment in the Fund. An investment in the Fund is speculative and there is the possibility you may lose some or all of your investment. You should speak with your financial adviser about the risks involved and also consider whether you are prepared to accept these risks.

While the Responsible Entity and Manager have implemented a risk management program aimed at managing and reducing these risks, it is not possible to eliminate all risks from your investment. It is possible that the Fund may not meet its investment objectives, or that your investment in the Fund will fall in value.

**Please refer to Section 6 'Risk Factors' for further information on the risks associated with investment in the Fund.**

## SECTION 2: INVESTING IN THE FUND

### OVERVIEW

---

To invest in the Fund, you must complete the Application Form attached to this PDS. Please make sure you carefully read and understand the terms of the Application Form.

### APPLICATIONS

---

You can apply for A Class Units in the Fund by completing the Application Form and returning it to Blue Sky. You can pay for the Units by cheque or by electronic funds transfer. Once we have received your application, we will consider it and either issue you Units or notify you of our decision to reject your application (in which case we will return any money that you have paid to us).

The Responsible Entity reserves the right to reject an application or to issue fewer Units than requested. Applications may be rejected for any reason. Any interest accrued on application monies received will accrue to the benefit of the Fund. If your application is rejected or you receive fewer Units than subscribed for, your application monies or the returned portion of your application monies will be returned without any interest.

Please refer to Section 4 'Summary of Key Terms' for further information.

### APPLYING THROUGH AN IDPS

---

Investors may also invest indirectly in the Fund through (i) an Investor Directed Portfolio Service, (ii) a wrap account or (iii) a master trust scheme ('IDPS'). If you would like to invest through an IDPS, you need to contact your IDPS provider or financial adviser. IDPS investors must make an application for A Class Units via application forms for the relevant IDPS, and not via the Application Form on page 33. The IDPS provider will invest in A Class Units on behalf of those IDPS investors, and it is the IDPS provider that will be a direct unitholder in the Fund. The IDPS provider will receive distributions on behalf of IDPS investors, and will be entitled to attend unitholder meetings, rather than IDPS investors. As a result, investors in an IDPS will be subject to different rights than those Investors who invest directly in the Fund including with respect to minimum investment, redemption and holding amounts. The rights of IDPS investors are set out in the constituent documents for the relevant IDPS.

### MINIMUM AMOUNTS

---

The minimum investment amount by direct Investors in the Fund is \$20,000.

The Responsible Entity may in its absolute discretion accept a lower amount.

There is no minimum redemption amount, however the minimum holding amount by direct Investors in the Fund is \$20,000, unless the Responsible Entity determines otherwise.

## SECTION 3: ABOUT BLUE SKY APEIRON

### INVESTMENT MANAGEMENT TEAM

Blue Sky Apeiron Pty Limited is part of the Blue Sky Funds Management group of companies. Established in 2006, Blue Sky Funds Management is an Australian based alternative investment manager with investment opportunities in private equity, private real estate, water and hedge funds.

The investment management team of the Manager has a successful history in trading international markets with experience gained in roles at Bankers Trust, Macquarie Bank, National Australia Bank and ABN Amro.

The Manager has received the following industry awards:

- **2009 Australian Hedge Fund Awards**  
Best Emerging Manager (Awarded by Australian Hedge Fund Industry Awards Committee)
- **2009 Top 5 finalist in the Eureka Hedge Fund Awards**  
Best Asian Based Macro Fund (Awarded by EurekaHedge [www.eurekahedge.com](http://www.eurekahedge.com))
- **2009 BarclayHedge International Index Top 10 ranking**  
in its category (Awarded by BarclayHedge [www.barclayhedge.com.au](http://www.barclayhedge.com.au))
- **2008 Finalist AIMA Australian Hedge Fund Awards**  
Global Macro/Managed Futures (Awarded by Australian Hedge Fund Industry Awards Committee)

### INVESTMENT PROCESS

#### HOW THE FUND INVESTS

The conventional approach to buying stocks and bonds is to study companies and industries and base investment decisions on fundamentals such as quality of management, strategy, competition, market share, company profits and P/E ratios. A less conventional and often more challenging approach is to make investments based not on these 'micro events' affecting companies, but on macro events. Macro events are changes in global economies, typically brought about by shifts in government policy which impact interest rates and in turn, affect all financial instruments including currency, equity and bond markets.

As a global macro investor, the Fund seeks to anticipate such events and generate profits by investing in financial instruments whose prices are most directly influenced by these trends. Accordingly, the Fund participates in all major markets in Australia and overseas (equities, bonds, currencies, commodities) and other funds that invest in these markets, though not always at the same time.

Leverage through Derivatives will often be used to accentuate the impact of market moves. The Fund invests across multiple sectors and trading instruments and moves from opportunity to opportunity, trend to trend, to whatever investments that expected shifts in economic policies, political climates or interest rates, make attractive.

A Class Units employ high to very high levels of Leverage to achieve the Fund's objectives. The Fund actively manages the risks associated with these levels of Leverage (refer page 10), but there are risks associated with this strategy. Please refer to page 19 for further details.

The Fund may engage in 'short selling' as part of its overall investment strategy. Short selling involves selling securities which are not currently owned by the Fund and 'borrowing' them from a counterparty for delivery to a purchaser. The Fund then has an obligation to replace the 'borrowed' securities at a later date. Short selling allows the Fund to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of 'borrowing' the securities. The extent to which the Fund engages in short sales will depend upon the Manager's current investment strategy and market opportunities.

#### THEMES

In macroeconomic analysis, there is a concept termed 'the monetary transmission mechanism'. This is the process by which changes in the money supply affect the overall level of demand in an economy. This broadly describes how one monetary event, such as a rise in interest rates, leads to another event, such as an increase in unemployment. Many markets within an economy are linked through this mechanism. How will this rise in interest rates and unemployment affect the local stock market? How will it affect the currency? A theme can arise out of this. A theme can also arise out of geopolitical or social imbalances. For example, government policies and changes in social mood resulting from a geopolitical event can have significant effects on markets over time. In identifying potential moves in markets, the Manager firstly isolates a central theme or imbalance that might prove to be the catalyst for a change in sentiment in a particular economy. Once this imbalance has been identified, the analysis then focuses on which markets or sectors would be most vulnerable to a change in this imbalance.

#### INVESTMENT SELECTION

The opportunities arising out of an investment theme may not be specific to one economy or market. In this part of the investment process, the Manager firstly isolates economies that are most likely to be affected by changes in an identified imbalance or theme. Suitable markets within these economies are then selected by the Manager: markets that provide the best liquidity and are clearly reflecting the imbalance in their pricing. It may be that within a local market the best opportunities are within certain sectors or industry groups, requiring further analysis. Once the field has been narrowed, technical analysis is employed by the Manager to determine the best risk/reward and entry and exit levels for each investment.

## TECHNICAL ANALYSIS

All of the entry and exit levels for individual investments by the Fund are generated using technical analysis. This analysis is based on price movements within an individual market. At this point of the analysis, the Manager believes it is important not to tell the market what it should be doing. Rather, monitor what the market is doing and employ patience while awaiting the expected market changes. In the Manager's opinion it is important for fund managers to recognise that their views on the world are not necessarily the truth. In reality, they are just ideas and are not guaranteed to occur. Within the Fund, the Manager believes that by employing technical analysis in the investment process any subjective or emotional attachment to a view is disengaged.

## RISK MANAGEMENT

The Manager actively manages portfolio risk using three disciplines.

Firstly, the 'Peak-To-Trough Drawdown Rule' is applied, seeking to limit the maximum of potential collective net losses to 25% of Investors' funds for the A Class Units. This forms the foundation of the Fund's risk management process.

Secondly, rules for maximum per market exposure are well defined and adhered to strictly. This ensures that the risk within the portfolio is not heavily concentrated within a particular market and consequently, enhances the Fund's risk adjusted returns.

Thirdly, all investments are carefully monitored to ensure that their correlations with other markets in the portfolio are consistent with retaining a balanced portfolio approach. Adding a new theme to the portfolio is like a layering process. Often themes are related with one affecting the other. Consequently, the timing of any portfolio rebalancing is critical to this process. Having a clear understanding of the correlations and inter-relationships between markets plays an important role in managing the Fund's portfolios.

## SECTION 4: SUMMARY OF KEY TERMS

The offer summary below outlines certain key terms to investing in the Fund. The key terms are subject to change.

### FUND STRUCTURE

The Fund is registered as a managed investment scheme with ASIC and may invest in any Derivative or physical instrument or asset from any asset class and/or currency in accordance with its investment strategy and criteria. Investment in the Fund is available to Retail Clients and Wholesale Clients.

Blue Sky Private Equity Limited is the Responsible Entity of the Fund. Blue Sky Apeiron Pty Limited is the Manager of the Fund.

### FUND DOCUMENTATION

The Fund will be governed by the Constitution. A summary of the Constitution is set out in Section 8 'Material Contracts'. Each Investor will agree to be bound by the Constitution upon executing an Application Form. Applications may be refused by the Issuer in its absolute discretion. The minimum investment amount is set out in the 'Offer Summary' in Section 1. Copies of the Constituent Documents are available upon request from the Issuer.

### MANAGER

Blue Sky Apeiron Pty Limited is the Manager and will operate as an Authorised Representative of the Issuer (No. 355 254) under the Issuer's AFSL (No. 314 177). Refer to Section 3 'About Blue Sky Apeiron' for further details about the Manager.

### MAKING AN APPLICATION

To make an application for A Class Units, you must complete the Application Form on page 33 and send your completed forms to:

**Blue Sky Private Equity Limited**  
PO Box 15515, Brisbane QLD 4002

In addition to your initial investment, you may make an ongoing regular investment to the Fund through our Regular Investment Option referred to below. If you would like to make a regular investment, you must also complete the Direct Debit Authorisation Form on page 37.

If you invest through an IDPS, you must complete the relevant application forms from your IDPS provider. Please contact your financial adviser or IDPS provider for further details.

In order for applications to be processed at the beginning of each month, applications must be received by close of business on the 25th day of the preceding month, or where the 25th day of the calendar month falls on a public holiday or weekend, the preceding Business Day. If an application is received after this time, it will be treated as being processed the following month, unless the Responsible Entity otherwise determines.

### REGULAR INVESTMENT OPTION

When you make your initial direct investment, you may choose to make additional investments into the Fund through our Regular Investment Option. Under this option, you can make regular monthly payments to the Fund via a direct debit facility from your nominated bank account.

Subject to receiving the minimum investment amount for direct Investors of \$20,000, the minimum regular investment amount is \$100 per month. Payments via direct debit will be automatically deducted from your nominated bank account and you have the option to vary or cancel your regular investment payments at any time.

In order to participate, you must complete the Direct Debit Authorisation Form on page 37 together with your Application Form. Your regular investment amount will be withdrawn from your nominated bank account and invested in the Fund. You should check that your nominated bank account can process payments via direct debit. Existing Investors can elect to make regular investments at any time by completing and sending us the Direct Debit Authorisation Form. Regular investments are processed on the last Business Day of the month. All applications and changes to the regular investment payments must be received by the 6th day in each calendar month to ensure the changes can be processed in that month.

### FREQUENCY OF APPLICATIONS AND REDEMPTIONS

The Fund initially intends to issue A Class Units and process redemption requests for Investors on a monthly basis. This is more commonly referred to as monthly liquidity. However, the Responsible Entity has the discretion under the Constitution to elect to price A Class Units on a more frequent basis in the future and issue A Class Units and process redemption requests on a weekly or daily basis. Investors will be notified of any changes to the liquidity of the A Class Units on the Responsible Entity's website at: [www.blueskyfunds.com.au](http://www.blueskyfunds.com.au).

## UNITS

The Fund will issue ordinary fully paid A Class Units to Investors. The Fund is offering A Class Units under this PDS, but may in the future, issue additional classes of Units with different rights and obligations. For example, the Fund may create a class of Unit with a different fee structure or different redemption terms than the A Class Units. As prescribed by the Corporations Act, the Responsible Entity is under a duty to treat all members of the same class equally, and different classes fairly.

Investors may transfer their Units to other persons with the consent of the Responsible Entity.

Investors will be issued A Class Units at the relevant Subscription Price. The number of A Class Units issued will equal the amount invested by each Investor, divided by the relevant Subscription Price. A Class Units will generally be issued on the first day of each calendar month. The Subscription Price will be calculated on the last Business Day of each calendar month. The Responsible Entity may, in its discretion, calculate the Unit Price and issue Units on a more frequent basis.

The Responsible Entity has the power under the Constitution to issue a new series of Units ('Series') in the Fund each month to reflect the date and Subscription Price at which A Class Units are acquired.

While the Fund issues A Class Units on a monthly basis, the Fund will issue A Class Units in separate Series and use series accounting to ensure that Investors that enter the Fund at different times incur the Performance Fee (refer to Section 5 'Fees and Costs') referable to the performance of their own Units.

All A Class Units, regardless of whether they are in separate Series, will have identical rights to each other A Class Unit, except that A Class Units of each Series will incur Performance Fees and expenses that the Responsible Entity determines to be referable to that Series, and separate from each other Series of A Class Units.

The initial Units issued will comprise the master series Units ('Master Series'). Subsequently issued Units will generally be issued in separate Series unless otherwise determined by the Responsible Entity. The Responsible Entity may from time to time issue Units (including in separate series or classes) to new or existing Investors. The rights, liabilities, obligations and restrictions attached to different classes of Units may vary.

If the Responsible Entity elects to issue Units and process redemption requests on a more frequent basis (e.g. daily), then the Fund may elect not to issue Units in separate Series and use series accounting. Investors will be notified of any changes to the liquidity of the A Class Units on the Responsible Entity's website at: [www.blueskyfunds.com.au](http://www.blueskyfunds.com.au). If this occurs, then Investors will incur a Performance Fee referable to the performance of the A Class Units as a whole, rather than the performance of their own Units. Please refer to Section 5 'Fees and Costs' for further detail.

The NAV of the Fund is the aggregate of all assets, less the aggregate of all liabilities determined in accordance with the Constitution. Assets will generally be valued at their market value, however, the Responsible Entity may value assets other than at their market value, provided the resulting Unit Price can be independently verified. Valuations will be conducted in accordance with applicable accounting standards in accordance with the Constitution.

The Subscription Price and applicable Redemption Price when you redeem A Class Units are based on the NAV of the Fund, and reflect the income, costs, expenses and liabilities of the Fund that are attributable to the A Class Units. The Responsible Entity has the discretion to properly attribute the assets and liabilities of the Fund that are referable to a separate class of Unit under the Constitution and to adjust the Subscription Price and Redemption Price accordingly.

The Responsible Entity has appointed Apex Fund Services Ltd as the Administrator of the Fund. The Administrator is responsible for the day-to-day administration of the Fund, and the calculation of Unit Prices in accordance with the Constitution.

## DISTRIBUTIONS

Distributions will be paid to Investors out of the net income of the Fund in accordance with the terms of the Constitution and having given due consideration to all matters including:

- the accumulated profits attributable to the A Class Units immediately prior to distribution;
- the cash reserves of the A Class Units immediately prior to distribution; and
- any pending liabilities, including contingent liabilities associated with the Fund.

The Responsible Entity intends to make Distributions quarterly, in July, October, January and April, but may make Distributions less frequently or at other times in accordance with the Constitution. Following the payment of a Distribution, it is expected that the Unit Price will decrease to take into account the reduction of the assets attributable to the A Class Units. It is expected that Distributions will be paid within 20 Business Days of the end of the relevant Distribution period.

Investors who invest through an IDPS will be paid Distributions in accordance with the terms of their IDPS, and may therefore receive Distributions at different times than those stated above.

## DISTRIBUTION REINVESTMENT PLAN

---

Distributions paid to Investors will automatically be reinvested into additional A Class Units in the Fund via the Distribution Reinvestment Plan ('DRP') unless an Investor elects not to participate in the DRP. The Subscription Price payable by Investors under the DRP will be the adjusted Unit Price following the payment of the Distribution. Investors can apply to change their DRP status but their application would need to have been received 14 Business Days prior to the end of the Distribution period to be effective for the pending Distribution.

Investors may elect not to participate in the DRP, and have their Distributions paid directly to them. Investors will need to complete the relevant section of the Application Form in order to opt out of the DRP and have their Distributions paid directly into their nominated bank account.

## REDEMPTIONS

---

A Class Units offered under this PDS are redeemable on a monthly basis. Redemptions can be made by submitting a written request ('Redemption Request') by the 25th day of each calendar month, or where the 25th day of the calendar month falls on a public holiday or weekend, the preceding Business Day. Any Redemption Request received after this time will be processed the following month, unless the Responsible Entity determines otherwise. The Unit Price for redemptions will be calculated as at the last Business Day of that month and will be payable by the 15th day of the following month. There is no minimum redemption amount, however you must maintain a minimum balance of \$20,000 in the Fund following any redemption, unless the Responsible Entity determines otherwise. The Responsible Entity may in the future agree to process redemptions on a more frequent basis.

Payments will be made by electronic transfer directly to the account nominated by the Investor on the Application Form or by cheque if the transfer does not occur successfully, unless otherwise notified in writing.

Investors who hold Units via an IDPS must make redemption requests through their IDPS provider and not directly with the Fund. The terms of redemption in an IDPS may differ from those set about above. You will need to check with your financial adviser or IDPS provider as to the correct forms to complete, and for the redemption terms applicable to your IDPS.

Under the Constitution, if the Responsible Entity has taken all reasonable steps to realise sufficient assets to satisfy a Redemption Request and is unable to do so due to one or more circumstances outside its control such as restricted or suspended trading in a market for an Asset, the period allowed for satisfaction of the request may be extended while the circumstances prevail.

In circumstances where the Fund is not liquid (i.e. less than 80% of the Fund's assets are liquid assets), an Investor may only redeem their Units from the Fund under the terms of a withdrawal offer made by the Responsible Entity to all of the Investors in accordance with the Corporations Act. The Responsible Entity is not under an obligation to make a withdrawal offer when the Fund is not liquid.

## SECTION 5: FEES AND COSTS

### CONSUMER ADVISORY WARNING

Under Australian Government regulations, all product disclosure statements are required to include the following standard consumer advisory warning as set out below. It is not specific to information on fees and costs in this Fund.

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund manager or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from returns on your investment or from the fund assets as a whole.

Taxes are set out in another part of this document.

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

All fees in the fee table are in Australian dollars and, unless otherwise indicated, reflect the impact of Goods and Services Tax ('GST') less any reduced input tax credits.

## FEES AND OTHER COSTS

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>		
You may also incur a 'buy/sell spread' when your money moves in and out of the Fund. <sup>1</sup>		
<b>ESTABLISHMENT FEE</b> The fee to open your investment	Nil	N/A
<b>CONTRIBUTION FEE</b> The fee on each amount contributed to your investment	0-4% For example, \$0-\$2,000 per \$50,000 invested.	The Contribution Fee may be payable on your initial investment amount and any additional investments you make. This fee is deducted from your investment amount and is payable to your financial adviser. You may negotiate to lower this fee with your adviser.
<b>WITHDRAWAL FEE</b> The fee on each amount you take out of your investment	Nil	N/A
<b>TERMINATION FEE</b> The fee to close your investment	Nil	N/A
<b>MANAGEMENT COSTS<sup>2</sup> – THE FEES AND COSTS FOR MANAGING YOUR INVESTMENT</b>		
<b>MANAGEMENT FEE<sup>3</sup></b> The fee payable to the Manager for managing your investment	1.5375% <sup>4</sup> p.a. (inclusive of the net effect of GST) For example, \$768.75 per \$50,000 invested.	An annual management fee of 1.5375% <sup>4</sup> of the NAV of the Fund is calculated daily and paid monthly in arrears. The NAV of the Fund is reflected in the Unit Price of the Fund as a whole.
<b>PERFORMANCE FEE<sup>3</sup></b> The fee payable to the Manager based on the performance of your investment	20.5% <sup>5</sup> (inclusive of the net effect of GST) of the performance above the Benchmark <sup>6</sup> , and subject to a High Water Mark.	The Performance Fee is calculated monthly and payable quarterly in arrears. <sup>7</sup> Please refer to page 16 for more details.
<b>EXPENSES</b> The general operating expenses of your investment include auditor, administration and custody fees	Capped at 0.205% (inclusive of the net effect of GST) per annum of the maximum value of the Fund. For example, \$102.50 per \$50,000 invested.	
<b>SERVICE FEES</b>		
<b>INVESTMENT SWITCHING FEE</b> The fee for changing investment options	Nil	N/A

### NOTES

- 1 Please refer to the 'Transactional and Operational Costs' section under the 'Additional Fees and Costs' section for further detail.
- 2 Fees described in the 'Management Costs' section as payable to the Manager may be paid partially or wholly to entities related to the Manager.
- 3 The above Management Fee and Performance Fee may be paid either entirely or partially from the Fund.
- 4 This is based on a Management Fee of 1.5% plus applicable GST, less any reduced input tax credits that may be claimed by the Fund.
- 5 This is based on a Performance Fee of 20% plus applicable GST, less any reduced input tax credits that may be claimed by the Fund.
- 6 Reserve Bank of Australia Cash Rate.
- 7 An estimate of the Performance Fee is not possible. Please refer to page 16 for further detail.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### GST

All fees set out in this Section are inclusive of the net effect of any GST applicable, less any input tax credits or reduced input tax credits available to the Fund. The Fund may not be entitled to claim an input tax credit in all instances.

### TAX

An overview of significant taxation implications of investing in the Fund is set out in Section 7 'Taxation'. You may wish to seek further tax advice from your tax consultant.

### MANAGEMENT COSTS

The management costs for the Fund include the Management Fee and the Performance Fee and the general expenses of the Fund (which include audit, administration and custody fees) ('Management Costs'). It is not possible to estimate the Performance Fee payable because we cannot accurately forecast the future performance of the Fund, which is inextricably related to the performance of the Fund. Accordingly, in preparing the estimate of Management Costs, we have assumed that no Performance Fees will be payable.

Management Costs are paid by the Fund and are not directly payable from your investment balance. The Management Costs do not include any transactional or operational costs.

#### Management Fee

The Management Fee payable by Investors is 1.5375% per annum (inclusive of the net effect of GST) of the NAV of the Fund before the accrual of Management Fees and Performance Fees. The Management Fee is calculated daily and paid monthly in arrears.

#### Performance Fee

The Fund is charged the Performance Fee where the performance of a Series of A Class Units exceeds the Benchmark and the High Water Mark. The Manager is entitled to be paid a Performance Fee equal to 20.5% (inclusive of the net effect of GST) of this outperformance. The Performance Fee is calculated and accrued monthly, and paid quarterly in arrears.

If the Responsible Entity elects in the future to issue A Class Units and process redemptions on a weekly or daily basis, it is intended that A Class Units will not be issued in separate Series and Investors will incur a Performance Fee referable to the performance of the A Class Units as a whole, rather than the performance of their own Series of Units.

The Responsible Entity is entitled under the Constitution to be paid up to 25% of the outperformance of the percentage increase in Net Asset Value of a Class of Units over the benchmark in respect of each calendar month. However, the Responsible Entity has elected to only charge a performance fee of 20.5% (inclusive of the net effect of GST), and make the Performance Fee subject to achieving a High Water Mark as described below. The level of Performance Fee will not change in the future (other than by Special Resolution of the Investors), but rather the method of calculation. Investors will be notified of any changes to the method of calculation of the Performance Fee on the Responsible Entity's website at: [www.blueskyfunds.com.au](http://www.blueskyfunds.com.au)

In order for the Manager to be paid a Performance Fee, the following performance targets must be met:

- the performance return of the series of A Class Units must exceed the Benchmark; and
- the High Water Mark.

The Performance Fee in respect of the relevant Series of A Class Units is calculated as follows:

$$PF = R * (GP - (HWM + BM))$$

Where:

PF = Performance Fee per Unit

R = Performance Fee rate which for A Class Units is 20.5%

GP = Gross Asset Value (GAV) expressed as a price per Unit (i.e. GAV divided by the number of A Class Units)

HWM = High Water Mark for previous period where a Performance Fee was last payable expressed as a Unit price (or if no Performance Fee has been paid, the Subscription Price)

BM = Benchmark for the period

### Dollar Fee Examples

#### Example 1

If your initial investment of \$50,000 is issued at a Unit Price of \$1.00, the Unit Price increases to \$1.05 in the first quarter and the Benchmark (BM) is 0.015 (1.5%), then with a High Water Mark (HWM) of \$1.00 the Performance Fee is calculated as follows:

$$PF = 20.5\% \times (\$1.05 - (\$1.00 + \$0.015))$$

A Performance Fee of \$358.75 would be payable.

#### Example 2

If your investment of \$50,000 has a High Water Mark of \$1.01, the Unit Price increases to \$1.04, and the Benchmark is 0.015 (1.5%), then the Performance Fee is calculated as follows:

$$PF = 20.5\% \times (\$1.04 - (\$1.01 + \$0.015))$$

A Performance Fee of \$153.75 would be payable.

**Example 3**

If your investment of \$50,000 has a High Water Mark of \$1.02, the Unit Price increases to \$1.035, and the Benchmark is 0.015 (1.5%), then the Performance Fee is calculated as follows:

$$PF = 20.5\% \times (\$1.035 - (\$1.02 + \$0.015))$$

No Performance Fee would be payable.

If a Performance Fee is payable in respect of one or more Series, these Series may be combined into a single Series in accordance with the Constitution.

It is not possible to accurately estimate the amount of Performance Fees that might be payable by Investors. The Performance Fee is dependent upon a number of factors, including the level of the Benchmark and the future performance of the A Class Units. There can be no guarantee of future returns or level of performance of the A Class Units.

**EXPENSES**

All costs or general expenses incurred (or that will be incurred) by the Responsible Entity and the Manager in connection with the management of the Fund and the Offer are payable out of the Fund, up to a maximum of 0.205% per annum of the maximum value of the Fund in any year (the 'Expense Cap').

The Responsible Entity is responsible for providing all office personnel, office space and office facilities required for the performance of its services. The Fund bears all other expenses incidental to the Manager and the Responsible Entity's operations up to the Expense Cap including, without limitation, fees payable to the Fund's service providers (e.g. Administrator, Custodian), taxes imposed on the Fund or the Responsible Entity, governmental charges and duties, fees payable to the Fund's advisers (including but not limited to legal, accounting and audit), printing and distribution of the PDS, subscription and marketing materials and any reports and notices to Investors and prospective Investors.

Expenses incurred by the Responsible Entity and the Manager in one year may be paid out of the Fund in another year provided the Expense Cap is not exceeded. Any amounts which exceed the Expense Cap in any year over the life of the Fund shall be borne by the Manager, other than unanticipated expenses arising from the Fund's business (such as litigation and indemnifications expenses) which shall be borne by the Fund.

**TRANSACTIONAL AND OPERATIONAL COSTS**

Certain costs are incurred in managing the Fund's investments, such as legal, brokerage, bank charges and government duties. These costs are paid directly from the Fund and are therefore reflected in the Unit Price. However, some of these costs are recovered by charging a 'buy/sell spread' to Investors when they apply for or redeem Units.

The Fund may incur a 'buy/sell spread' cost in purchasing and selling the underlying assets of the Fund. The fees are charged because an application or redemption may involve the purchase or sale of Fund assets, thereby incurring costs. These fees are an estimate of these costs. The imposition of these fees aims to ensure that existing Investors do not pay any costs associated with other Investors entering or exiting the Fund. These fees are reflected in the application and redemption Unit Prices. These costs are paid into the assets of the Fund for the benefit of all Investors. The 'buy/sell spread' may vary from time to time. At the date of this PDS, the estimated transaction cost for the Fund is 0.10% on entry and exit.

For example, an Investor with a \$50,000 investment could expect to incur transaction costs of \$50 (being 0.10% of the investment amount).

**CHANGES TO FEES**

The Responsible Entity and the Manager will not change the fees from those set out in this PDS, unless approved by Special Resolution. The Responsible Entity may issue a separate class of Units and apply fees up to the fee maximums set out in the Constitution. The Responsible Entity is entitled under the Constitution to charge a maximum Contribution Fee, Management Fee, Withdrawal Fee and Investment Switching Fee each of 5% (inclusive of the net effect of GST).

**FEES WAIVER AND DEFERRAL**

The Responsible Entity may, in its sole discretion, elect to defer its receipt of any fees from time to time. Any such deferral will in no way affect the right of the Responsible Entity to receive any fees payable. The Responsible Entity may also subject to the law rebate or waive all or part of any fees applicable to Units for certain Investors and/or pay all or part of such fees to third parties for services related to the placement of Units. The Responsible Entity may where permitted under the law charge fees on a different basis to certain associates of the Responsible Entity and Investors that are Wholesale Clients and have a substantial investment in the Fund or the Responsible Entity's other investment products.

### EXAMPLE OF ANNUAL FEES AND COSTS

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

EXAMPLE: INITIAL INVESTMENT OF \$50,000, WITH ADDITIONAL INVESTMENT OF \$5,000 DURING THE YEAR		
<b>CONTRIBUTION FEE</b>	0-4%	For every \$50,000 you put in, you will be charged between \$0-\$2,000.  For every additional \$5,000 you invest, you will be charged between \$0-\$200.
<b>PLUS MANAGEMENT COSTS</b> (including Management Fee and operating expenses of the Fund, but excluding Performance Fees)	1.7425% (inclusive of the net effect of GST)	And, for every \$50,000 you have in the Fund you will be charged \$871.25 per annum.
<b>EQUALS COST OF FUND</b>		For an initial investment of \$50,000, plus an additional investment of \$5,000 during the year, you will be charged Management Costs (not including Performance Fees) of \$871.25 and \$2,000.  <b>What it costs you will depend on the fees you negotiate with your Fund or your financial adviser.</b>

#### NOTES

See the 'Management Costs' section as to how Management Costs are calculated. The above example is illustrative only. It does not include Performance Fees. Please refer to the 'Performance Fee' section for more detail on Performance Fees.

#### ADVISER SERVICE FEE

You can authorise us to pay an adviser service fee to your financial adviser on your behalf out of your investment. Any adviser service fee you authorise us to pay is additional and separate to the fees we charge in respect of your investment.

The available options are shown in the 'Adviser Service Fees' table below.

If applicable, an agreed adviser service fee may be deducted from your investment and paid in full to your nominated financial adviser for ongoing financial advice and services provided in relation to your investment in the Fund. This adviser service fee can be negotiated with your adviser, and can be nil. You can terminate or reduce the adviser service fee at any time by notifying the Responsible Entity in writing. The fee is only applicable for direct investment and is not applicable for investment through an IDPS. Where there is no financial adviser nominated, no adviser service fee will be charged.

The adviser service fee is based on a percentage of net value of your investment in the Fund, and is paid on a quarterly basis. Units will be redeemed from your investment on a quarterly basis to cover the adviser fee and includes the 'buy-sell spread'.

FREQUENCY	PAYMENT BASIS*	HOW AND WHEN PAID
ONGOING	Percentage fee option	Calculated on the balance of your investment and paid quarterly by way of redemption of Units.
ONGOING	Flat dollar fee option	Paid in quarterly instalments by way of redemption of Units at the end of each quarter using the Unit Price at the end of the quarter.

\* All adviser service fee amounts that we deduct from your investment and pay to your financial adviser on your behalf include 10% GST.

#### ALTERNATIVE FORMS OF REMUNERATION

The Manager may, at its own cost, also provide alternative forms of remuneration to IDPS providers and financial advisers in accordance with IFSA/FPA Industry Code of Practice on Alternative Forms of Remuneration ('IFSA Code'). These costs are not payable by Investors in the Fund. The Responsible Entity maintains a register of the alternative forms of remuneration in accordance with the IFSA Code. Please contact us if you wish to review a copy of the register.

## SECTION 6: RISK FACTORS

The significant risks for this Fund are discussed below. The performance of the Fund will reflect the volatility of the Fund's underlying investments. If these risks eventuate, the Fund returns may be lower than expected or there may be none, and the value of your investment could fall.

The investment risks set out below do not purport to be exhaustive and potential Investors should review this PDS in its entirety and consult with their professional advisers before deciding whether or not to invest in the Fund.

### LOSS OF CAPITAL

While it is the intention of the Fund to restrict potential losses to a maximum of 25% of the A Class Unit capital, there is a risk that these losses could be greater. If, by way of example, the Fund was approaching a 25% Drawdown for the total of the A Class Units issued by the Fund and held an investment in a market that was disrupted by some unforeseen event, then the cost of closing all positions and winding up the Fund may push the losses beyond 25%.

### ILLIQUIDITY

While most of the instruments traded in line with the Fund's investment strategy are in deep and liquid markets, there are times when these markets experience significant reductions in liquidity caused by unforeseen events. This may impact the Manager's ability to liquidate positions in the portfolio without incurring losses greater than anticipated. This could result in drawdowns of the Funds being greater than the 25% Peak-To-Trough Drawdown Rule for the A Class Units.

### LEVERAGE RISK

Higher levels of Leverage magnify both profits and losses and may result in a total loss of an Investor's capital. A Class Units employ high to very high levels of Leverage to achieve their investment objectives. Leverage risk is a significant risk for the Fund.

Losses to the Fund are not limited to the amounts paid to acquire futures contracts. Until the futures contracts have been 'closed out', the liability of the Fund cannot be definitively determined. The strategy implemented by the Fund is designed to limit the largest current Drawdown to 25% for the A Class Units. However, there is no guarantee that these levels will not be exceeded.

### CUSTODY RISK

Brokerage firms, banks and dealers will have custody of the Fund's assets and may hold such assets in their names. Bankruptcy or fraud at one of these entities could impair the operational capabilities or the capital position of the Fund. The Responsible Entity does not, nor is it able to maintain any insurance in the event of such incidents occurring.

### RELIANCE ON THE MANAGER

The Fund relies exclusively on the Manager for the management of its investment portfolio. There could be adverse consequences to the Fund in the event that the senior portfolio manager ceases to be available to the Fund. The success of the Fund is therefore expected to be significantly dependent upon the expertise and efforts of the Manager.

### STRATEGY RISK

The investment strategies employed by the Manager may prove to be incorrect or ill-timed resulting in losses in the Fund.

### INDIVIDUAL INVESTMENT RISK

Individual investments can and do fall in value. In order to reduce this risk, the Manager employs a diversified investment approach both in individual investments and overall strategies.

### MARKET RISK

Economic, technological, political or legislative conditions, and even market sentiment, can change and changes in the value of investment markets can affect the value of the investments in the Fund.

## DERIVATIVE RISK

---

Derivative contracts are subject to particular risks as listed below:

### MARKET RISK

Significant losses from Derivative contracts may occur in the event of extreme market moves. The Fund's risk management practices are designed to minimise this risk.

### COUNTERPARTY RISK

Derivative transactions may be subject to the risk that a counterparty to the transactions will wholly/partially fail to perform their contractual obligations under the arrangement.

### OPERATIONS RISK

The risk that deficiencies in the effectiveness and accuracy of information systems or internal controls will result in a material loss. The Manager has various procedures and processes in place designed to minimise this risk.

## FOREIGN MARKET RISK

---

The Fund may invest in securities or Derivative instruments issued in foreign markets. Risks inherent in this type of investment include:

- differences between countries in relation to accounting, auditing, financial reporting, government regulation, securities exchanges and transactional procedures;
- foreign markets may have different levels of liquidity, pricing availability and settlement and clearance procedures; and
- currency risk resulting from fluctuations in exchange rates between the Australian dollar and foreign currencies in which foreign securities or exposures are denominated. In addition, active currency management may result in gains or losses to the Fund.

## SHORT SELLING RISK

---

In addition to the risks set out in this Section 6, short selling as a strategy is subject to market risk in that there is the risk of loss if the price of the underlying security increases in value. There is also the risk that short selling transactions with counterparties can increase counterparty risk for the Fund. The Manager seeks to manage these risks in accordance with its risk management strategy.

## FUND RISK

---

There is a risk that the Fund could be terminated, the fees and expenses could change, the Manager could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investments and redemptions by other Investors.

## CHANGE OF LAW AND OTHER STATUTORY TRADING RESTRICTIONS

---

Changes in laws or their interpretations including taxation and corporate regulatory laws, practice and policy and changes to other statutory trading restrictions could have a negative impact on the return to Investors.

## SECTION 7: TAXATION

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS



15 July 2011

The Directors  
Blue Sky Private Equity Limited  
PO Box 15515  
BRISBANE QLD 4002

Dear Directors

**Brisbane**  
Bentleys (Qld) Pty Ltd  
ABN 36 892 525 331

Level 25, 10 Eagle Street  
Brisbane 4000

GPO Box 740  
Brisbane Qld 4001

T +61 7 3222 9777  
F +61 7 3221 9250

admin@bris.bentleys.com.au  
www.bentleys.com.au

### INDEPENDENT TAXATION REPORT

This Independent Taxation Report ("report") has been prepared for inclusion in the Product Disclosure Statement ("PDS") of the Blue Sky Apeiron Global Macro Trust (the "Fund"), which relates to an offer to apply for A Class Units in the Fund.

#### 1.0 BACKGROUND AND SCOPE

The purpose of this report is to provide a summary of the Australian taxation implications for investors who acquire units in the Fund, pursuant to the offer under this PDS.

The information contained in this report is of a general nature only and does not take into account the individual circumstances of investors. As such, investors should seek their own independent taxation advice regarding their investment in the Fund.

The information in this report assumes that investors are Australian residents for income tax purposes, are not under a legal disability and hold their investment on capital account.

This report is based on current taxation law as at the date of preparation of the report. Investors should be aware that taxation law is frequently being changed, both prospectively and retrospectively<sup>1</sup>.

In providing this report, Bentleys (Qld) Pty Ltd does not in any way endorse or encourage any party to invest in the Fund.

Further, taxation is only one issue which should be considered when deciding whether to invest in a financial product. You should consider seeking advice from an Australian Financial Services Licence holder before deciding on whether to invest in the Fund.

<sup>1</sup> For example, the Australian government has announced that a new tax system for certain qualifying Managed Investment Trusts ("MITs") will apply from 1 July 2012 (refer the then Assistant Treasurer's Media Release of 7 May 2010 and the Assistant Treasurer's Media Release of 8 April 2011). Currently, no legislation has been introduced into parliament to implement the proposed changes. These proposed changes may apply to the Fund, if legislated. Based on the government announcements, broadly, the proposed changes should not significantly change the current flow-through income tax treatment of the Fund, where the net income of the fund is taxed in the hands of investors. However, it is important to note that these comments are based on government media releases without regard to any detailed legislation and there is no guarantee that the proposed changes will be introduced at all or be consistent with the government announcements.

#### Chartered Accountants and Business Advisors

A member of Bentleys, an association of independent accounting firms in Australia.  
The member firms of the Bentleys' association are affiliated only and not in partnership.  
Liability limited by a scheme approved under Professional Standards Legislation.

## 2.0 TAXATION OF THE FUND

---

The Fund will be an Australian resident trust for income tax purposes. Based on the proposed assets and activities of the Fund and that investors are presently entitled to all of the trust income derived by the Fund each year, the Fund will not be liable for income tax on its taxable net income ("net income"). Rather, the net income of the Fund is taxed in the hands of the investors.

However, if the Fund incurs a revenue loss or capital loss for income tax purposes, the loss cannot be passed on to investors. Revenue losses incurred by the Fund can be carried forward to offset against future assessable income, subject to satisfying certain tests. Capital losses incurred by the Fund can be carried forward to offset against future capital gains of the Fund only.

## 3.0 TAXATION OF INVESTORS

---

Investors in the Fund may be subject to taxation on any income distribution and on disposal or redemption of units.

### 3.1 INCOME DISTRIBUTIONS

In determining their assessable income for each financial year ended 30 June, an investor will need to take into account their proportionate share of the net income of the Fund for that year. This will apply irrespective of whether the income distributions are paid in a subsequent year or reinvested under the Distribution Reinvestment Plan.

Income distributions paid to investors may be made up of a number of different components which should retain their character from the Fund to investors. The various components that make up the distributions will be outlined in the Annual Taxation Statement provided to investors.

The taxation treatment for investors of income distributions will depend on the components that make up the income distribution. For example, an income distribution may comprise amounts of ordinary assessable income, franked dividends including franking credits, tax deferred income and capital gains. The taxation treatment of these components are discussed further below.

#### Ordinary Assessable Income

Ordinary assessable income will be fully assessable to investors.

#### Franked Dividends and Franking Credits

Income distributions may include franked dividends derived by the Fund.

Subject to the Fund and the investor satisfying applicable "holding period rules", an investor will need to include the franked dividend component along with a proportionate share of the franking credits in their assessable income.

Investors will be able to apply the franking credits received as part of their distribution as an offset against any income tax liability. Any excess franking credits are refundable where investors are individuals or complying superannuation funds.

#### Tax Deferred Income

Tax deferred income is not assessable at the time of receipt and arises where the cash distribution from the Fund exceeds the net income of the fund for tax purposes.

Tax deferred income, while not assessable to investors at the time of receipt, will result in a reduction to the cost base of their units in the Fund. This has the effect of increasing the capital gain that would have otherwise been recorded when the units are disposed of in the future. Where the cost base is reduced to nil by tax deferred income distributions, the excess will be assessed as a capital gain.

Investors should keep a record of any tax deferred income received for capital gains tax purposes.

#### Capital Gains

Income distributions may include capital gains which have resulted from the sale of capital assets owned by the Fund. Capital gains received as part of the distributions from the Fund must be included in the investors' calculation of their total net capital gain to be included in assessable income.

If the Fund sells a capital asset which it owned for more than 12 months, the capital gain may be reduced by the 50% CGT discount when calculating the net capital gain of the Fund. Where the income distribution includes a discount capital gain (the Fund has applied the CGT discount), investors must gross-up the discount capital gain by the amount of the discount before applying any capital losses and/or the CGT discount if applicable to their circumstances.

### 3.2 DISPOSAL OR REDEMPTION OF UNITS

A capital gain or loss will arise on the disposal or redemption of an investment in the Fund. A capital gain will arise where the consideration received is greater than the cost base for capital gains tax purposes which includes the acquisition price plus any incidental costs associated with the acquisition. As discussed above, the cost base will be reduced by any tax deferred income distributions received.

Where investors have held their investment in the Fund for at least 12 months prior to the disposal, they may be eligible to reduce the capital gain by applying the CGT discount. Eligibility for the CGT discount is dependent on the type of investor. The CGT discount is 50% for individuals and trusts and 33.33% for complying superannuation funds. No CGT discount applies to companies. An investor must apply any capital losses before applying the CGT discount, if applicable.

A capital loss will arise where the reduced cost base exceeds the consideration received on disposal of the investment. Capital losses may be able to be used to offset other capital gains in the current financial year or carried forward to offset future capital gains.

### 4.0 TAX FILE NUMBER ('TFN')

---

While it is not compulsory to provide a Tax File Number, not doing so will result in tax being withheld from income distributions at the highest individual marginal tax rate plus Medicare Levy which is currently 46.5%.

Any tax withheld from income distributions will be shown on the investors' distribution statement.

### 5.0 GOODS AND SERVICES TAX ('GST')

---

Investors will not be subject to GST in relation to the acquisition, disposal or redemption of units in the Fund or in respect of income distributions received.

### 6.0 STAMP DUTY

---

The initial acquisition of units in the Fund by investors, pursuant to the offer, does not attract stamp duty.

Yours sincerely

Bentleys (Qld) Pty Ltd



Dean Steer

## SECTION 8: MATERIAL CONTRACTS

### CONSTITUTION

The Fund is a registered managed investment scheme governed under the Corporations Act and its Constitution. The Constitution addresses matters such as valuation methods, applications and the issue of Units, distribution of income, charging fees and expenses, termination of the Fund, Investor meetings, Investors' and the Responsible Entity's rights, liabilities and indemnities.

The Responsible Entity has the power under the Constitution to conduct a rights issue in respect of some or all Units, but it does not intend to do so with respect to A Class Units.

A summary of the Constitution is set out below and in Section 1 'Executive Summary'. It is not intended to be an exhaustive summary and Investors wishing to obtain a copy of the Constitution may do so free of charge by contacting the Responsible Entity on (07) 3270 7500.

The Constitution may be modified, repealed or replaced in accordance with the Corporations Act where the Responsible Entity reasonably considers that it will not adversely affect Investors' rights or if the change is approved by Special Resolution at a meeting of Investors.

### CLASSES OF UNITS

The Fund may issue different classes of Units from time to time, with different rights to those of the A Class Units.

### RESPONSIBLE ENTITY'S INDEMNITY AND LIABILITY

The Responsible Entity is entitled to be indemnified from the Fund for any amounts properly incurred in acting as Responsible Entity of the Fund, subject to the Constitution and the law. Subject to the law, the Responsible Entity is not liable to Investors for any losses in any way relating to the Fund, except to the extent of any fraud, gross negligence or breach of trust involving a failure to show the required degree of care and diligence by the Responsible Entity. The Responsible Entity's liability is, subject to the law, limited to its ability to be indemnified out of the assets of the Fund.

### INVESTOR LIABILITY

The liability of Investors is limited to the value of their investments in the Fund and subject to the Constitution. The effectiveness of these provisions has not yet been determined by an Australian Court, and therefore no absolute assurance can be given that Investors will be protected from liability to third parties. Each Unit confers a proportional beneficial interest in the Fund and does not carry any entitlement to any particular part of the Fund's assets or to partake in the management or operation of the Fund (other than through meetings of Investors).

### MANAGEMENT AGREEMENT

The Responsible Entity has delegated to the Manager the day-to-day control and all powers with respect to the investment management of the Fund, pursuant to a management agreement dated 11 July 2011 ('Management Agreement').

The Responsible Entity will generally seek and subject to the law, follow, the recommendation of the Manager prior to exercising its rights in respect of the management of the Fund. If there is a change in the Responsible Entity of the Fund, it is expected that the new responsible entity would be bound to the Management Agreement, thereby ensuring the continued appointment of the Manager.

The Manager is entitled to receive fees (see Section 5 'Fees and Costs') and be indemnified for any amounts properly incurred in acting as Manager of the Fund, pursuant to provisions in the Management Agreement. The Manager will not be liable to Investors for any losses in any way relating to the Fund to the maximum extent permitted under the law. The Manager is not liable to the Fund for any losses and may be indemnified except to the extent of negligence, willful default, fraud or dishonesty of the Manager.

The Manager's appointment continues and may only be terminated if:

- the Manager materially breaches its obligations and fails to remedy the breach within the time prescribed under the Management Agreement; or
- the Manager elects to terminate its appointment under the Management Agreement.

The Manager will be entitled to receive all fees accrued prior to termination. The Responsible Entity has agreed with the Manager that it will retire as Responsible Entity of the Fund and recommend a replacement responsible entity, subject to its obligations under the law, upon a request to do so by the Manager. If there is a change in manager of the Fund, it is expected that the Responsible Entity will appoint a new manager who will carry out the obligations under the existing Management Agreement, thereby ensuring the continued investment management services to the Fund.

### ADMINISTRATOR

The Responsible Entity has appointed Apex Fund Services Ltd as the Administrator of the Fund pursuant to an administration agreement dated 14 July 2011 (the 'Administration Agreement'). Under the terms of the Administration Agreement, the Administrator is required to provide administration services to the Fund including unit pricing, registry, accounting and back office services.

### CUSTODIAN

The Responsible Entity has appointed AET under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. AET has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a Unit holder for any act done or omission made in accordance with the Custodian Agreement.

## SECTION 9: ADDITIONAL INFORMATION

### COMMUNICATING AND REPORTING

Investors will be provided with the reports set out in the table below. Investors will also receive confirmations of their Unit applications and redemptions. Investors may ask the Responsible Entity for additional information as reasonably required, although the Responsible Entity may not always be able to satisfy such requests.

■ Investor Statement (detailing investments and redemptions)	Monthly*
■ Performance Report (including Unit Price)	Monthly*
■ Tax Statement (including any capital gains)	Annually
■ Income Distribution Statement (including details of income entitlements after each distribution period)	Annually
■ Annual Report (including the Fund's audited accounts)*	Annually

\* The above information will be provided by email and/or on the Responsible Entity's website [www.blueskyfunds.com.au](http://www.blueskyfunds.com.au)

### FURTHER INFORMATION

A non-exhaustive summary of some of the key terms of the Offer and the Constitution has been set out in this PDS. For further information about the Fund, please contact your financial adviser. A copy of the Constitution may be requested by contacting the Responsible Entity on (07) 3270 7500.

### MARGIN LENDING

The Fund does not currently offer a margin lending facility, but may introduce one for Investors in the future.

### OFFER CHANGES

The Responsible Entity reserves the right to cancel the Offer and return application monies (without interest) for whatever reason.

### DISCLOSING ENTITY

At the date of this PDS, the Fund is not a disclosing entity under the Corporations Act. If this changes, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may generally be obtained from, or inspected at, any ASIC office. If the Fund becomes a disclosing entity, you may obtain a copy of:

- the Fund's annual financial report most recently lodged with ASIC;
- any half-year financial reports lodged with ASIC by the Fund after lodgment of that annual report; and
- any continuous disclosure notices given by the Fund after that date of lodgment of that annual report,

on request from the Responsible Entity free of charge.

### PRIVACY

The Application Form accompanying this PDS requires potential Investors to provide their personal information. The Responsible Entity, Manager, Administrator (if applicable) and service providers to the Responsible Entity, Manager or the Fund may collect, hold and use Investors' personal information in order to assess an Investor's application, service their needs as a client or Investor, provide facilities and services to Investors, the Responsible Entity, Manager or the Fund and for other purposes permitted under the Privacy Act 1988 (Cth) ('Privacy Act').

Taxation, company law and anti-money laundering regulations may also require some of the information to be collected in connection with potential Investors' applications. Access to information may also be provided to our associates, related bodies corporate, agents and service providers on the basis that they deal with such information in accordance with the Privacy Act. If Investors do not provide the information requested, or provide incomplete or inaccurate information, their application may not be processed. Investors' personal information may also be used or disclosed from time to time to the Responsible Entity's agents and service providers on the basis that they deal with such information in accordance with the Responsible Entity's privacy policy. Investors' personal information may also be used to monitor and evaluate products and services or for the purposes of notifying them about products or services that the Responsible Entity or Manager thinks may be of interest to them. Please contact the Responsible Entity if you do not want your personal information to be used for this purpose or have any concerns about the completeness or accuracy of the information you have provided. Under the Privacy Act, Investors may request a copy of their personal information held by or on behalf of the Fund by contacting the Responsible Entity.

If you are investing via an IDPS, you must comply with the privacy policy of your IDPS provider.

## ANTI-MONEY LAUNDERING

---

The Responsible Entity is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) ('AML/CTF Law'). This means that the Responsible Entity will need to obtain personal information and documentation when prospective Investors apply for Units and when undertaking transactions in relation to their investments. The Responsible Entity may also need to obtain additional information and documentation from prospective Investors when processing applications or subsequent transactions or at other times during your investment.

The Responsible Entity may need to identify:

- an Investor or prospective Investor (applying for an investment in the Fund). The Responsible Entity will not issue Units until all relevant information has been received and the identity of the Investor has been satisfactorily verified;
- an Investor's estate. If an Investor dies whilst the owner of Units, the Responsible Entity may need to identify the Investor's legal personal representative prior to redeeming their investment or transferring ownership;
- anyone acting on the Investor's behalf, including their power of attorney or nominee.

In some circumstances, the Responsible Entity may need to re-verify this information.

By applying to invest in the Fund, Investors or prospective Investors also acknowledge that the Responsible Entity may decide to delay or refuse any request or transaction (including payment of Distributions), including by suspending the application of Units, if the Responsible Entity is concerned that the request or transaction may breach any obligation of, or cause the Responsible Entity to commit or participate in an offence under any AML/CTF Law or an equivalent law of any other jurisdiction, and the Responsible Entity will incur no liability to Investors or prospective Investors if it does so.

## COMPLAINTS HANDLING

---

The Constitution contains provisions which govern the procedures for dealing with complaints by Investors. If you have a complaint, then please contact us directly by telephone or in writing with details of the complaint and all relevant personal details (including your name and address). We will acknowledge both written and verbal complaints within five Business Days. We will investigate the complaint with a view to resolving it and advise you as soon as possible. We will contact you within 28 days after we acknowledge the complaint to advise of the outcome of our investigation or give you an update on our progress.

If you are not satisfied with our response, then you can refer your complaint to the Financial Ombudsman Service (FOS), an external complaints handling body that provides an independent assessment of your complaint. Before you contact FOS, please first try to resolve your concern with the Responsible Entity.

FOS's contact details are:

**Address:** GPO Box 3 Melbourne, VIC 3001  
**Telephone:** 1300 780 808 (9am – 5pm AEST)  
**Facsimile:** (03) 9613 6399  
**Email:** info@fos.org.au  
**Website:** www.fos.org.au

If you have invested through an IDPS, then please contact your IDPS provider in the first instance.

## TRANSFERS

---

An Investor may only transfer their Units with the consent of the Responsible Entity and/or Manager (which may be withheld in its/their absolute discretion). Certain exceptions apply to the requirement for this consent such as transfers where there is no change in beneficial interest.

## RETIREMENT OF THE RESPONSIBLE ENTITY

---

Subject to the Corporations Act, the Responsible Entity may retire as responsible entity at any time, effective on the appointment of a replacement responsible entity. The Responsible Entity may be removed by a Special Resolution (75% of votes cast) of Investors in the Fund.

## INVESTOR MEETINGS

---

The Responsible Entity may convene a meeting of Investors at any time or must arrange for one upon receipt of written requests by either Investors holding at least 5% of the votes that may be cast or 100 Investors entitled to vote. At least 21 days notice must be given of a meeting of Investors. Investors' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

The above summary of the terms of the Fund is not exhaustive and terms of the Fund are subject to change. Refer to the Constituent Documents, which prevail to the extent of any inconsistency with the PDS, for greater detail.

## CONFLICTS OF INTEREST

The Responsible Entity, Manager, managers of the Fund's underlying funds and any of their associates may from time to time:

- represent or act for, or contract with, their affiliates and associates;
- invest in and deal in any capacity, with the same investments as that of the Fund, on similar or different terms;
- act in various capacities in relation to, or be otherwise involved in (such as by way of investment) other business activities that may be in competition with the interests of Investors;
- recommend that investments be purchased or sold, on behalf of the Fund, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;
- appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting its obligations and responsibilities in respect of the Fund; and/or
- receive and retain profits or benefits of any nature, in connection with the Fund, and may do so without being liable to account to the Fund or its Investors.

## COOLING-OFF

If you have invested directly into the Fund as a Retail Client and are not otherwise a Wholesale Client or Sophisticated Investor (as defined in the Corporations Act) you have a 14 day cooling-off period in which to decide if the investment is right for you. The 14 day period commences from the earlier of the time your investment is confirmed and the fifth day after the Units are issued. If, during the cooling-off period, you decide that the investment does not meet your needs, then simply advise us in writing. You must specifically state that you are exercising your cooling-off right. Written requests received after 2.00pm EST will be treated as received on the following Business Day.

Subject to the paragraph above, the amount of your refund will be calculated on the day we receive your written request to redeem your investment, reduced or increased for market movements in the Fund as well as any applicable transaction costs and less any non-refundable tax or duty paid or payable. Accordingly, depending upon the circumstances, the amount returned to you may be greater or less than the amount initially invested.

Cooling-off rights do not apply to Investors reinvesting their Distributions in respect of any additional investment amounts or if you are a Wholesale Client.

If you have invested through an IDPS, your rights to cool-off will be dealt with in the disclosure document for that IDPS.

## INDEPENDENT ADVICE

You should read this PDS in full prior to completing the Application Form as it contains important information about this investment opportunity. You should also consider seeking independent financial, taxation and legal advice prior to investing in the Fund.

## COMPLIANCE PLAN AND COMMITTEE

The Responsible Entity has prepared and lodged a compliance plan for the Fund ('Compliance Plan') with ASIC, which sets out measures that the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution. A copy of the Compliance Plan is available upon request, free of charge, from the Responsible Entity. The Compliance Plan identifies the management structure of the Responsible Entity, the general duties of the Responsible Entity as well as the duties of each officer and the procedures and systems implemented for various aspects of the management function, including:

- meetings and reports of the Compliance Committee;
- engagement of external service providers;
- safe keeping and inspection of records;
- maintenance and audit of books of accounts;
- valuation of the assets of the Fund;
- reporting to Investors;
- borrowings of the Fund; and
- handling, collecting and dealing with money received for the Fund.

The Responsible Entity has established a Compliance Committee, the majority of which are independent members, to monitor the Responsible Entity's compliance with the Compliance Plan and consider reports regarding its adherence to the Compliance Plan, the Corporations Act and the Constitution.

## AUDITOR

We have an obligation under the Corporations Act to appoint an auditor of the Fund. The auditor of the Fund is:

**Ernst & Young**  
680 George Street, Sydney NSW 2000  
Telephone: (02) 9248 5555

## SERVICE PROVIDERS

---

The Responsible Entity has appointed:

- Australian Executor Trustees Limited to provide custody services for the Fund;
- Ernst & Young as auditor of the Fund's accounts;
- Apex Fund Services Ltd as the Fund administrators;
- Hanrick Curran Audit Pty Ltd as auditor of the Compliance Plan; and
- Bentleys (Qld) Pty Ltd as accountants and tax advisers to the Fund.

## CONSENTS

---

The following parties have given written consent (which has not been revoked at the date of this PDS) to being named, in the form and context in which they are named, in this PDS:

- Blue Sky Apeiron Pty Limited as the Manager;
- Australian Executor Trustees Limited as the Custodian;
- Ernst & Young as auditor of the Fund's accounts;
- Apex Fund Services Ltd as the Fund administrators;
- Hanrick Curran Audit Pty Ltd as auditor of the Compliance Plan;
- Bentleys (Qld) Pty Ltd as accountants and tax advisers to the Fund; and
- Kain Corporate + Commercial Lawyers as Australian legal counsel to Blue Sky Private Equity.

Each of these persons named above who has consented to be named in this PDS:

- has not authorised or caused the issue of this PDS;
- does not make or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than as specified; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than the reference to their name in a statement or report included in this PDS with their consent as specified.

## SECTION 10: GLOSSARY

### INTERPRETATION

---

- Unless otherwise specified, a reference to a section is a reference to a section in this PDS.
- The singular includes the plural and vice versa, and a gender includes other genders.
- If a calculation is required in this PDS, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- Headings and text emphasis are for convenience only and do not affect the interpretation of this PDS.
- Subject to the Corporations Act, if an event under this PDS must occur on a stipulated day which is not a Business Day, then the event will be done on the previous Business Day.
- Fees and costs stated in this PDS are inclusive of the net effect of applicable GST.
- All dollar amounts are in respect of Australian dollars unless specified otherwise.

### AFSL

Means Australian Financial Services Licence issued by ASIC.

### APPLICANT

Means a person who submits a valid Application Form under this PDS.

### APPLICATION FORM

Means the Application Form annexed to this PDS pursuant to which Investors subscribe for Units.

### ASIC

Means the Australian Securities and Investments Commission.

### BENCHMARK

Means the Reserve Bank of Australia Cash Rate.

### BLUE SKY PRIVATE EQUITY

Means Blue Sky Private Equity Limited (ABN 45 125 223 958, AFSL 314 177).

### BUSINESS DAY

Means a day that is not a Saturday, Sunday, bank holiday or public holiday in Brisbane, Queensland.

### A CLASS UNITS

Means the A Class Units in the Fund offered under this PDS.

### COMPLIANCE COMMITTEE

Means the compliance committee established by the Responsible Entity.

### CONSTITUENT DOCUMENTS

Means the Application Form and the Constitution.

### CONSTITUTION

Means the constitution establishing the Fund as modified, repealed or replaced from time to time and as summarised in Section 8 'Material Contracts'.

### CORPORATIONS ACT

Means the Corporations Act 2001 (Cth).

### CUSTODIAN

Means Australian Executor Trustees Limited (or any of its replacements).

### DERIVATIVE

Means a financial instrument that derives its value from an underlying asset including a share, a commodity, a currency, an index or other financial instrument. Examples of Derivatives include futures and options.

### DISTRIBUTION

Means a distribution of distributable income to Investors.

### DRAWDOWN

Means the percentage decrease in the Unit Price for a particular class of Units from its highest value to its subsequent lowest value, adjusted for any paid Performance Fee and Distributions.

### FUND

Means the Blue Sky Apeiron Global Macro Trust (ARSN 151 739 730).

### GROSS ASSET VALUE

Means the Gross Asset Value of the Fund being the Fund's total assets (inclusive of but not limited to trading gains and accrued interest) less its total liabilities (excluding Performance Fees).

### GST

Means Goods and Services Tax.

**HIGH WATER MARK**

Means in respect of a particular Series, the Net Asset Value of that Series immediately following the date as of which the last Performance Fee was paid with respect to such Series (or, if no Performance Fee has yet been paid with respect to such Series, the Subscription Price).

**IDPS**

Means: (i) an Investor Directed Portfolio Service, or (ii) a wrap account or (iii) a master trust scheme.

**INVESTOR**

Means a person who invests in the Fund and thereby becomes a holder of Units in the Fund.

**ISSUER**

Means Blue Sky Private Equity Limited (ABN 45 125 223 958, AFSL 314 177).

**LEVERAGE**

Means increasing the exposure of the portfolio to a level greater than the net assets of the portfolio by borrowing or through the use of Derivatives. Leverage is also known as gearing.

**MANAGER**

Means Blue Sky Apeiron Pty Limited (ABN 23 117 598 115).

**MANAGEMENT FEE**

Has the meaning provided in Section 5.

**NET ASSET VALUE OR NAV**

Means the Net Asset Value of the Fund being the Fund's total assets (inclusive of but not limited to trading gains and accrued interest) less its total liabilities (inclusive of but not limited to accrued Management Fees and Performance Fees, trading losses and other expenses), calculated in accordance with the Constitution.

**OFFER**

Means the invitation to apply for Units of the Fund under this PDS.

**PDS**

Means the Product Disclosure Statement issued by the Issuer as amended or supplemented from time to time.

**PERFORMANCE FEE**

Means the fee payable to the Manager based on the performance of the Fund – see Section 5 'Fees and Costs'.

**REDEMPTION PRICE**

Means, in respect of A Class Units, the price at which Units are redeemed, being the Unit Price calculated on each day Units are redeemed, subject to any 'buy/sell spread' referred to on page 17.

**RESPONSIBLE ENTITY**

Means Blue Sky Private Equity Limited (ABN 45 125 223 958, AFSL 314 177).

**RETAIL CLIENT**

Has the meaning provided in the Corporations Act.

**SECTION**

Means a section of this PDS.

**SPECIAL RESOLUTION**

Means a resolution passed by at least 75% of the votes cast by Investors entitled to vote on the resolution.

**SUBSCRIPTION PRICE**

Means, in respect of A Class Units, the price at which Units are issued to Investors, being the Unit Price calculated on each day Units are issued, subject to any 'buy/sell spread' referred to on page 17.

**UNIT PRICE**

Means, in respect of a Series of A Class Units, the Net Asset Value referable to the Series calculated on a per Unit basis in accordance with the Constitution.

**UNITS**

Means Units in the Fund and includes any series of A Class Units offered under this PDS.

**WHOLESALE CLIENT**

Has the meaning provided in the Corporations Act.

# SECTION 11: HOW TO APPLY

## 1. APPLICATION NAME(S)

---

Please provide the information exactly as it should appear on your investment records. Applications must be in the name of either a natural person, company or other legal entity. If the investment is being made on behalf of a trust or superannuation fund, you need to apply in the name of the trustee and also note the full name of the trust or superannuation fund on the Application Form.

## 2. CONTACT DETAILS

---

Please provide the preferred email address for all correspondence and a contact name, address and telephone number. Please also provide an email address for anyone else whom you would like to receive correspondence (e.g. your adviser or accountant).

## 3. TAX FILE NUMBER AND IDENTIFICATION

---

You do not have to provide us with your tax file number ('TFN'). However, if you do not provide your TFN, then we may be required to deduct tax from any income paid to you at the top marginal tax rate. You may be eligible for an exemption by providing your TFN, in which case you will need to state the reason in the Application Form in the space provided.

Applicants are required to provide sufficient documentation to satisfy identification requirements. This documentation can be attached to the application. This requirement is necessary to comply with Commonwealth anti-money laundering legislation which requires financial services providers to capture client and customer identification information.

## 4. ANTI-MONEY LAUNDERING

---

Under Australian legislation, the AML/CTF Law, certain additional information is required of investors. We are obliged under legislation to satisfy thorough investor identification and verification requirements prior to accepting your application for Units.

These requirements are set out in the table on page 32. We may request additional information from you where we reasonably consider it necessary to satisfy our obligations under the AML/CTF Law.

## 5. APPLICATION AMOUNT

---

The minimum application amount for direct investors is \$20,000, or such lesser amount as determined by the Trustee.

## 6. RETURN APPLICATION FORM

---

Please mail the completed Application Form and all accompanying documents to:

### Blue Sky Private Equity Limited

PO Box 15515  
Brisbane QLD 4000

OR deliver them to:

2nd Floor, Port Office Suites  
40 Edward Street  
Brisbane QLD 4000

## 7. DECLARATION

---

You must have read and understood the Declaration on page 36.

# AML/CTF CHECKLIST

PLEASE PROVIDE APPROPRIATE IDENTIFICATION DOCUMENTS BELOW, IN CONJUNCTION WITH YOUR APPLICATION FORM

TYPE OF PROSPECTIVE INVESTOR	IDENTIFICATION REQUIRED
<p><b>INDIVIDUAL OR JOINT APPLICANTS</b></p>	<p>At least one of the following ID documents in relation to each applicant:</p> <ul style="list-style-type: none"> <li>■ Current passport issued by the Australian Commonwealth (or current within the preceding two years provided not cancelled);</li> <li>■ Current passport or similar document issued for the purpose of international travel that contains a photograph and signature of the person and is issued by a foreign government, UN or UN Agency (accompanied where relevant by English language translation by an accredited translator);</li> <li>■ Driver's Licence (Australian State or Territory), or foreign country equivalent containing a photograph and signature of the holder (accompanied, where relevant, by English language translation by an accredited translator).</li> </ul> <p>Original certified copies of these documents will suffice. A 'certified copy' or 'certified extract' means a document that has been certified as a true copy of an original of that document.</p> <p>Where unable to provide at least one of these documents please contact the Responsible Entity to discuss alternative verification procedures permitted by law.</p>
<p><b>COMPANY</b></p>	<p>A current full company search of ASIC databases showing:</p> <ul style="list-style-type: none"> <li>■ the full name of the company;</li> <li>■ the Australian Business Number ('ABN') / Australian Company Number ('ACN');</li> <li>■ the registered office address of the company;</li> <li>■ the principal place of business of the company;</li> <li>■ the names and addresses of each director of the company (only for a proprietary company); and</li> <li>■ the shareholders of the company (for all proprietary companies which are not licensed subject to regulatory oversight of a Commonwealth, State or Territory statutory regulator).</li> </ul> <p>If the company is a regulated company, a search of the licence or other records of the relevant Commonwealth, State or Territory statutory regulator.</p> <p>If the company is listed, a search of the relevant financial market or stock exchange.</p>
<p><b>PARTNERSHIP</b></p>	<ul style="list-style-type: none"> <li>■ Original certified copy or relevant extracts of partnership agreement, full name of partnership and any business name(s) used by the partnership; and</li> <li>■ Information in relation to one of the partners in accordance with the individual requirements above.</li> </ul> <p>Please also provide the identification in accordance with the individual verification requirements above for one partner.</p>
<p><b>TRUST AND SUPERANNUATION FUND</b></p>	<p>Original certified copy of the trust deed (including any variations to the trust deed) confirming:</p> <ul style="list-style-type: none"> <li>■ the full name of the trust/superannuation fund;</li> <li>■ the type of trust/superannuation fund;</li> <li>■ the country where the trust/superannuation fund was established; and</li> <li>■ the name of each beneficiary or class of beneficiary (if the trust is a unit trust, then you will need to provide a certified copy of an extract of the trust register to confirm the name of each beneficiary).</li> </ul> <p>For any trustee/s who are natural persons, identification in accordance with the individual verification requirements above.</p> <p>If any of the trustees is a company, identification in accordance with the company verification requirements above.</p> <p>If the trustees comprise individuals and companies, then identification required as individual and company.</p>
<p><b>POWER OF ATTORNEY</b></p>	<p>Applications submitted under a power of attorney must be accompanied by an original power of attorney document and a specimen signature of the relevant attorney(s) and the information required to be collected as stated above from the entity it acts for (if not already supplied).</p>

# APPLICATION FORM

## BLUE SKY APEIRON GLOBAL MACRO TRUST

This Application Form is issued by Blue Sky Private Equity Limited (ABN 45 125 223, AFSL 314 177) and is to be completed by investors who wish to apply for A Class Units as part of the offer made through this PDS dated 1 August 2011 (and any supplementary or replacement documents) for the Blue Sky Apeiron Global Macro Trust (ARSN 151 739 730). You should read the PDS in full before filling in the Application Form. Prospective investors should consult with their financial or other professional adviser before considering whether to invest in the Fund.

## APPLICATION AMOUNT

I/We apply for  of A Class Units.

The minimum investment amount for direct Investors is \$20,000 or as approved otherwise by the Issuer. The issue price of Units will be determined in accordance with Section 4 of the PDS.

## APPLICATION TYPE

Please X appropriate box

Individual  Company  Trust  Super Fund  Partnership  Other

## NEW INVESTOR DETAILS

Please complete this section in conjunction with the AML/CTF Checklist on page 32 of the PDS. If the AML/CTF information requirements are not satisfied, then your application will not be accepted.

### A. INDIVIDUAL / INDIVIDUAL TRUSTEE

#### APPLICANT 1

Title	First name	Middle name
Surname	Date of birth	
Residential address		
Suburb, City or Town	State	Postcode
Country of residence (if not Australia)		
Tax File Number or reason for exemption		
Business name (for sole trader)		
Email address		
Phone (Work)	Phone (Home)	
Mobile	Facsimile	

**APPLICANT 2**

Title	First name	Middle name
Surname	Date of birth	
Residential address		
Suburb, City or Town	State	Postcode
Country of residence for tax purposes (if not Australia)		
Tax File Number or reason for exemption		
Business name (for sole trader)		
Email address		
Phone (Work)	Phone (Home)	
Mobile	Facsimile	

**B. COMPANY / CORPORATE TRUSTEE**

Full name of company or corporate trustee		
Tax File Number or ABN or reason for exemption ACN		
Registered office address		
Suburb, City or Town	State	Postcode
Country of residence for tax purposes (if not Australia)		
Email address		
Telephone (business hours)	Facsimile	
Names and addresses of each director of the company or corporate trustee		

**C. TRUST / SUPERANNUATION FUND**

Trustee to complete these details and the details in either A or B, as applicable

Full name of trust / superannuation fund
Tax File Number or ABN or reason for exemption
Country where trust was established
Full business name (if any) of trustee
ARSN (if registered managed investment scheme) Type of trust (e.g., unit trust)

## ACCOUNT DETAILS FOR DISTRIBUTIONS

Investors have the option to reinvest their Distributions or have Distributions paid to their nominated bank account. If no box is ticked, Distributions will be reinvested.

Reinvest Distributions as additional Units in the Fund  Pay Distributions to nominated bank account below

Bank:  BSB:  Account No:

Account name:

## METHOD OF PAYMENT

CHEQUE (FOR FULL AMOUNT) \$

Payable to: AETL ACF Blue Sky Aperion Global Macro Trust – A Class Application Account

### DIRECT DEPOSIT TO:

Bank: NAB – National Australia Bank Limited  
 Account name: AETL ACF Blue Sky Aperion Global Macro Trust – A Class Application Account  
 BSB: 082-067  
 Account number: 11-529-4555

## ADVISER USE ONLY

Contribution Fee 0-4%.

Please state the level of the Contribution Fee:

If no level of Contribution Fee is stated, no Contribution Fee will be charged.

Please state the level of Adviser Service Fee:

If no level of Adviser Service Fee is stated, no Adviser Service Fee will be charged.

Dealer name  Dealer code

Adviser name  Adviser code

Adviser email address

Adviser contact phone number  Adviser contact fax number

### ADVISER'S BANK DETAILS

Bank

Account name

BSB

Account number

Adviser stamp

## DECLARATION AND SIGNING

By completing, signing and lodging this Application Form, you agree that:

- You have read in full and understood the PDS to which this Application Form relates.
- The details you have inserted into the Application Form are complete and accurate.
- You will be bound by the Constitution and the terms on which the Units are being issued (as explained in the PDS).
- If you are sole signatory signing on behalf of a company, you confirm that you are signing as sole director and sole secretary of the company or as duly authorised representative or agent of the company.
- If you are investing as trustee, on behalf of a superannuation fund or a trust, you confirm that you are acting in accordance with your designated powers and authority under the trust deed. In the case of a superannuation fund, you also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- If you sign this Application Form under a power of attorney, then a certified copy of the power of attorney is submitted with this Application Form, which as at the date of this application, has not been revoked.
- You are over the age of 18.
- You have made an offer for Units in the Fund and that offer cannot be revoked.
- We may accept or reject this application in whole or in part.
- You may not be allocated any Units, and the Responsible Entity has absolute discretion to allocate Units as it sees fit.
- You have had the opportunity to seek independent professional advice regarding the legal, taxation and financial implications of investing in the Units and in the Fund generally.
- You have not relied on any statements or representations made by anybody (including the Manager, the Responsible Entity or their officers, employees or agents) prior to applying, other than those representations made in this PDS.
- Monies invested in the Fund do not represent an investment in or a deposit of or other liability of the Trustee and an investment is subject to investment risk, including possible delays in the repayment and loss of income and capital investment.
- You have provided all documentation requested for AML/CTF investor identification purposes (see page 32 of the PDS).
- If your investment is via a trust that is not a registered managed investment scheme or a government superannuation fund and you have not provided details of the name of each beneficiary or class of beneficiary, you certify that the trust is an unregistered managed investment scheme that only has wholesale clients as beneficiaries and does not make small scale offerings under section 1012E of the Corporations Act.

## ADVISER SERVICE FEE

By completing, signing and lodging this Application Form you irrevocably authorise and direct the Responsible Entity to redeem such of your Units as are necessary from time to time to pay any Adviser Service Fee disclosed on pages 18 and 35.

## PLEASE NOTE

This Application Form must not be handed out or used unless accompanied by the PDS. If received through electronic means, you declare you received the Application Form accompanied by or attached to a print out or paper copy of this PDS. Units in the Fund will only be issued on receipt of an Application Form issued together with the PDS.

Dated \_\_\_\_\_ day of \_\_\_\_\_

Name of Applicant #1 \_\_\_\_\_

Signature Applicant #1 \_\_\_\_\_

Position of applicant (if applicable)

- Sole Director
- Director
- Trustee

Name of Applicant #2 \_\_\_\_\_

Signature Applicant #2  
(if joint applicants, then both applicants must sign)

Position of applicant (if applicable)

- Company Secretary (for company investments only)
- Director
- Trustee

# DIRECT DEBIT AUTHORISATION FORM – REGULAR INVESTMENT OPTION

## 1. INVESTOR'S DETAILS

Surname or Company Name

Given Names or ACN/ABN

Request and authorise Blue Sky Private Equity Limited to arrange for any amount Blue Sky Private Equity Limited may debit or charge you to be debited from an account held at the financial institution identified below subject to the terms and conditions on the following page.

## 2. DETAILS OF ACCOUNT TO BE DEBITED

Bank

Account name

BSB

Account number

## 3. AMOUNT OF MONTHLY DEBIT

Monthly regular contribution debit

Amount

\$

Accounts are debited on the last day of each month. Your Regular Investment Option Plan will commence once Blue Sky has accepted your direct debit payment instruction which may take up to one month and we will notify you once the plan commences.

No Contribution Fee will be deducted from your monthly regular contribution.

#### 4. DECLARATION AND SIGNATURE

I/We wish to participate in the Regular Investment Option and I/we agree to be bound by the terms and conditions set out below.

I/We authorise and request you, until further notice in writing, to debit the nominated account with any amount which Blue Sky Private Equity Limited may debit or charge me/us in connection with my/our regular investment option. I/We have completed all relevant sections of this form.

I/we understand and acknowledge that:

- My/Our nominated financial institution may in its absolute discretion decide the order of priority of payment by it of any moneys pursuant to this request or any authority or mandate.
- The financial institution may, in its absolute discretion, at any time by notice in writing to me/us, terminate this request as to future debits.
- Blue Sky may, by prior notice in writing to me/us within 14 days, vary the timing of future debits or the terms of this agreement.
- Monthly contributions will be deducted on, or close to, the last day of each month. Where the last day of the month does not fall on a business day and I am/we are uncertain whether sufficient cleared funds will be available to meet the direct debit, I/we will contact the financial institution directly and ensure that sufficient cleared funds are available.
- I/We can modify or defer this regular contributions plan at any time by giving Blue Sky 14 days notice in writing. I/We need to do this by the 6th day of the month for the change that I am/we are requesting to take effect in that month.
- I/We can stop or cancel this regular contributions plan at any time by firstly giving Blue Sky 14 days notice in writing. I/We need to do this by the 6th day of the month for the cancellation to take effect in that month. Alternatively, I/we can cancel my/our regular contributions plan by taking all of my/our money out of the fund.
- If at any time I/we feel that a direct debit against my/our nominated account is inappropriate or wrong, it is my/our responsibility to notify Blue Sky as soon as possible.
- I/We understand that I/we are advised to check my/our account details against a recent statement or check with the financial institution as to whether I/we can request a direct debit from my/our account. If I am/we are uncertain about this, I/we will contact the financial institution directly.
- It is my/our responsibility to ensure that there are sufficient cleared funds in my/our nominated account to honour the direct debit request (DDR) from my/our regular investment option. I/We understand that my/our regular investment option will be automatically cancelled if three direct debit payments are dishonoured because of insufficient funds within a 12 month period. Blue Sky will give me/us 14 days notice in writing if it intends to cancel my/our plan. Blue Sky will also charge the cost of dishonoured direct debits and any loss in the price of the units I was/we were due to buy against my/our account.

#### ALL BANK ACCOUNT SIGNATORIES MUST SIGN AND DATE THIS FORM

##### AUTHORISATION OF INDIVIDUAL 1 OR COMPANY OFFICER 1

Name

Mr   
  Mrs   
  Miss   
  Ms  
 Other (Specify)

Any other name known by

If a company officer, your corporate title

Individual   
  Director   
  Sole Director  
 Secretary   
  Trustee  
 Other (Specify)

Signature

Date        /        /

##### AUTHORISATION OF INDIVIDUAL 2 OR COMPANY OFFICER 2

Name

Mr   
  Mrs   
  Miss   
  Ms  
 Other (Specify)

Any other name known by

If a company officer, your corporate title

Individual   
  Director   
  Sole Director  
 Secretary   
  Trustee  
 Other (Specify)

Signature

Date        /        /

# CORPORATE DIRECTORY

## ISSUER

---

### BLUE SKY PRIVATE EQUITY LIMITED

2nd Floor, Port Office Suites  
40 Edward Street  
Brisbane QLD 4000

## MANAGER

---

### BLUE SKY APEIRON PTY LIMITED

2nd Floor, Port Office Suites  
40 Edward Street  
Brisbane QLD 4000

## AUSTRALIAN LEGAL COUNSEL

---

### KAIN CORPORATE + COMMERCIAL LAWYERS

315 Wakefield Street  
Adelaide SA 5000

## AUDITOR

---

### ERNST & YOUNG

680 George Street  
Sydney NSW 2000

## CUSTODIAN

---

### AUSTRALIAN EXECUTOR TRUSTEES LIMITED

Level 22  
207 Kent Street  
Sydney NSW 2000

## ADMINISTRATOR

---

### APEX FUND SERVICES LTD

Level 6  
Westfield Tower  
100 William Street  
Woolloomooloo NSW 2011

## AUSTRALIAN ACCOUNTANT AND TAXATION ADVISOR

---

### BENTLEYS (QLD) PTY LTD

Level 25  
10 Eagle Street  
Brisbane QLD 4000

## INVESTMENT ENQUIRIES

---

**Phone:** (07) 3270 7500  
**Fax:** (07) 3270 7599  
**Email:** [investorservices@blueskyfunds.com.au](mailto:investorservices@blueskyfunds.com.au)

## IN WRITING

---

### BLUE SKY PRIVATE EQUITY LIMITED

PO Box 15515, Brisbane QLD 4002



BRISBANE | ADELAIDE

**Blue Sky Private Equity Limited**

**Phone** +61 7 3270 7500

**Email** [investorservices@blueskyfunds.com.au](mailto:investorservices@blueskyfunds.com.au)

[www.blueskyfunds.com.au](http://www.blueskyfunds.com.au)