

29 May 2020

Dear Investor,

Equity Trustees Limited as Responsible Entity (“EQT”) is writing to advise you of a unit pricing error that has been identified upon a recent review of the Management Costs disclosed in the Alpha Fund Managers Pty Ltd funds (the “Alpha Funds”) Product Disclosure Statements (“PDS”) issued on the dates in the table below and the actual fees charged between 1 July 2017 and 15 January 2020 (the “Impacted Period”).

During the Impacted Period the unit prices for the Alpha Funds have been understated due to the payment of certain fund related expenses in addition to the management fees disclosed in the PDS’.

Alpha Fund name	APIR code	Date of PDS
Alpha Alternatives Fund	ETL0318AU	28 September 2017
Alpha Australian BlueChip Fund	ETL0091AU	19 September 2017
Alpha Australian Small Companies Fund	ETL0092AU	19 September 2017
Alpha Diversified Income Fund	ETL0329AU	19 September 2017
Alpha Enhanced Yield Fund	ETL0093AU	19 September 2017
Alpha Global Opportunities Fund	ETL0094AU	19 September 2017
Alpha Infrastructure Fund	ETL0319AU	19 September 2017
Alpha Property Securities Fund	ETL0095AU	19 September 2017

### Remediation

To compensate a one-off adjustment will be included in the Alpha Funds NAVs during May 2020 and as a result, you may notice an increase in the daily unit price.

For investors who have redeemed over the impacted period, remediation of redemption transactions will be undertaken separately outside of the Alpha Funds. No remediation is required on application transactions.

### Changes to fee structure of the Alpha Funds

Further to the remediation we wish to inform you of an intended change to the fee structure of the Alpha Funds to be effective 30 days after the date of this letter.

For comparison purposes the current and new fee arrangements are outlined in the table attached as Appendix 1 to this letter.

New PDS’ will be issued in line with the implementation of the new fee structure and will be available by calling Alpha Fund Managers Pty Ltd on +61 3 8652 3854 or going to the websites [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto) at that time.

We thank you for your investment and continued support of the Alpha Funds.



If you have any queries, please contact Alpha Fund Managers Pty Ltd on +61 3 8652 3854 or email [enquiries@alphafundmanagers.com.au](mailto:enquiries@alphafundmanagers.com.au)

Yours sincerely,

Harvey H Kalman  
Executive General Manager, CTS & Global Head of Fund Services  
**Equity Trustees Limited**

**Appendix 1**

Fund	Existing fee structure (PDS' dated 1 July 2019)	New fee structure effective 29 June 2020
Alpha Alternatives Fund	TOTAL Management costs <sup>1</sup> 2.53% comprising: Management fees 0.82% Indirect costs <sup>2</sup> 1.71% PLUS Performance fee <sup>3</sup> 20.5% of the amount by which the Fund's performance exceeds the Fund's benchmark.	TOTAL Management costs <sup>1</sup> 2.95% comprising: Management fees 1.24% Indirect costs <sup>2</sup> 1.71% PLUS Performance fee <sup>3</sup> 20.0% of the amount by which the Fund's performance exceeds the Fund's benchmark.
Alpha Australian BlueChip Fund	TOTAL Management costs <sup>1</sup> 1.97% comprising: Management fees 0.60% Indirect costs <sup>2</sup> 1.37% PLUS Performance fee <sup>3</sup> 20.5% of the amount by which the Fund's performance exceeds the Fund's benchmark.	TOTAL Management costs <sup>1</sup> 2.16% comprising: Management fees 0.79% Indirect costs <sup>2</sup> 1.37%
Alpha Australian Small Companies Fund	TOTAL Management costs <sup>1</sup> 1.84% comprising: Management fees 0.61% Indirect costs <sup>2</sup> 1.23% PLUS Performance fee <sup>3</sup> 20.5% of the amount by which the Fund's performance exceeds the Fund's benchmark.	TOTAL Management costs <sup>1</sup> 2.23% comprising: Management fees 1.00% Indirect costs <sup>2</sup> 1.23%
Alpha Diversified Income Fund	TOTAL Management costs 1.20% comprising: Management fees 0.45% p.a. Indirect costs <sup>2</sup> 0.75% PLUS Performance fee <sup>3</sup> 20.13% of the amount by which the Fund's performance exceeds the Fund's benchmark.	TOTAL Management costs 1.37% comprising: Management fees 0.62% Indirect costs <sup>2</sup> 0.75%
Alpha Enhanced Yield Fund	TOTAL Management costs 1.17 % comprising: Management fees 0.45% Indirect costs <sup>2</sup> 0.72% PLUS Performance fee <sup>3</sup> 20.15% of the amount by which the Fund's performance exceeds the Fund's benchmark.	TOTAL Management costs 1.38% comprising: Management fees*: 0.66% Indirect costs <sup>2</sup> 0.72%



Alpha Global Opportunities Fund

TOTAL Management costs 1.78% comprising:  
Management fees 0.86%  
Indirect costs<sup>2</sup> 0.92%  
PLUS Performance fee<sup>3</sup> 20.0% of the amount by which the Fund's performance exceeds the Fund's benchmark.

TOTAL Management costs 1.9% comprising:  
Management fees 0.98%  
Indirect costs<sup>2</sup> 0.92%

Alpha Infrastructure Fund

TOTAL Management costs 1.40% comprising:  
Management fees 0.40%  
Indirect costs<sup>2</sup> 1.00%  
PLUS Performance fee<sup>3</sup> 20.0% of the amount by which the Fund's performance exceeds the Fund's benchmark.

TOTAL Management costs 1.84% comprising:  
Management fees 0.84%  
Indirect costs<sup>2</sup> 1.00%

Alpha Property Securities Fund

TOTAL Management costs 1.27% comprising:  
Management fees 0.68%  
Indirect costs<sup>2</sup> 0.59%  
PLUS Performance fee<sup>3</sup> 20.35% of the amount by which the Fund's performance exceeds the Fund's benchmark.

TOTAL Management costs 1.5% comprising:  
Management fees 0.91%  
Indirect costs<sup>2</sup> 0.59%

Notes

- 1 Management costs are charged as percentage per annum of the NAV of the Fund, are inclusive of Goods and Services Tax and net of any Reduced Input Tax Credits and may change from time to time.
- 2 The indirect costs are calculated and incorporate estimated amounts with reference to the relevant costs incurred during the financial year ended 30 June 2018.
- 3 The Performance Fee represents the performance fees which are payable as an expense of the Fund to the Investment Manager. Performance fees are calculated daily and paid annually in arrears from the Fund and calculated based on the beginning NAV of the Fund over the relevant period. No performance fees are payable until any accrued underperformance from prior periods has been made up.