

Dear Investor

RE: PROPOSED CHANGE OF RESPONSIBLE ENTITY

We are writing to you as an investor in Smarter Money Higher Income Fund ARSN 601 093 485 (the Fund).

Background

EQT Responsible Entity Services Limited (formerly called Onevue RE Services Limited) ABN 94 101 103 011, AFSL 223271 (**EQT RES, we, us**) is the current responsible entity of the Fund and is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT; **EQT Group**).

We are proposing that another EQT Group entity, Equity Trustees Limited ABN 46 004 031 298, AFSL 240975 (**EQTL, the new RE**) replace us as the responsible entity of the Fund. EQTL also provides responsible entity / trustee services to over 110 local and global investment managers in excess of \$75b of funds under supervision and is also a subsidiary of EQT Holdings Limited.

Why the change?

There are currently two responsible entity / trustee providers under separate AFSL's within the EQT Group. EQT is proposing to bring the EQT RES services into the EQTL service model to create efficiencies within the operational functionalities and further strengthen our compliance and fiduciary obligations. Essentially, this will mean that the Fund's responsible entity and issuer of the product will be EQTL.

EQTL will bring to the Fund its deep operational and compliance strength and its commitment to acting in investors' best interests which is founded in over many years of trustee and responsible entity operations, backed by a management team with many years of financial services experience.

The change to the new RE is purely a change in entities and does not change the staff responsible in providing the services to the Fund.

When will this happen?

If there are no significant objections, it is anticipated that the new RE will be appointed no later than 18 December 2019. The precise timing depends on when the regulator, the Australian Securities and Investments Commission (**ASIC**), updates its records.

There could however be delays for the Fund where a significant number of investors wish that an investor meeting or postal vote be held to vote on the proposed change. See below for details.

It is also possible that investors require a meeting or postal vote and then the proposal to change the responsible entity does not pass. In this case, the responsible entity would not change to the new RE at that time.

Will the Fund change?

No, the Fund, including its investments, its investment risks and its objectives, will all be unchanged. There are no change to fees or costs arising from this proposal. There are no tax consequences for you.



What do I need to do?

There is no action required from you unless you have objections to the proposed change of responsible entity. Please read the More Detail section for further information.

EQT RES considers the change in responsible entity to be in the best interests of investors.

If you agree with EQTL becoming the responsible entity of the Fund, you need not do anything.

More details

Usually the law requires that if a change of responsible entity is proposed, there is a formal investor meeting to consider the change.

However, ASIC recognises that when the change proposed is within a corporate group, a meeting is inefficient and costly. So instead, in these circumstances ASIC allows us to give you notice of the change, and the opportunity to ask that we hold a meeting.

Important information

If however:

- investors who together hold at least 5% of the total value of the units held by investors in the Fund or
- at least 100 investors

who would be entitled to vote if the proposal were put as a proposed resolution to a meeting of investors ask for a vote on the choice of the proposed responsible entity by giving written notice received within 21 days from the date the notice is sent, either a postal vote will be held or a meeting of investors convened to vote on a resolution for the choice of the proposed responsible entity.

You can ask us to hold a meeting or postal vote by posting the attached **Optional request for a postal vote or meeting** completed and signed, by the due date. Details are in the Form.

You can find information on the proposed change at www.eqt.com.au/insto

Questions

If you have any questions, please contact us:

T: +61 (0) 3 8623 5000
E: productteam@eqt.com.au
www.eqt.com.au

Yours sincerely,



Harvey H Kalman

Harvey H Kalman
Director
EQT Responsible Entity Services Limited



FORM

OPTIONAL REQUEST FOR A POSTAL VOTE OR MEETING: SMARTER MONEY HIGHER INCOME FUND

Instructions

This form is optional.

If you agree with Equity Trustees Limited ABN 46 004 031 298 (Equity Trustees) becoming the responsible entity of the Fund, you need not do anything.

If you do **not** agree, complete and sign this form and return it to us by **[date which is 21 days after sending]**:

EQT Responsible Entity Services Limited
< Reply paid envelope with registry details >

ASIC does not allow us to accept responses by email, fax or telephone.

If you do wish to complete this form, please complete one form for the Fund.

Optional request

- I do **not** agree with Equity Trustees becoming the responsible entity of the Fund – please convene a meeting or conduct a postal vote for the choice of the proposed responsible entity.

Your details

Full investor name			
Investor number			
ACN/ABN if a company			
Email		Preferred phone	

I am an investor in in Smarter Money Higher Income Fund ARSN 601 093 485.

Signed

	Investor 1 ↓		Investor 2 ↓
Name (print)		Name (print)	
Sign:		Sign:	