

# Additional Information Booklet

## Canopy Global Small & Mid Cap Fund

21 October 2024

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### Important Information

The information in this document forms part of the Product Disclosure Statement ('PDS') for the Canopy Global Small & Mid Cap Fund dated 21 October 2024. You should read this information together with the PDS before making a decision to invest into the Fund.

This Additional Information Booklet has been prepared and issued by Bennelong Funds Management Ltd. The information contained in this document is subject to change and you should read the version current at the date of your investment. You can obtain a copy of this document free of charge from our website, or by contacting Client Experience (details at the bottom of this page).

This additional information is general information only and does not take into account a person's personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

# 1. About Bennelong Funds Management Ltd

No additional information has been incorporated by reference.

## 2. How the Canopy Global Small & Mid Cap Fund works

### Glossary

**Administrator** means Citigroup Pty Limited (ABN 88 004 325 080).

**Asset Value** means the aggregate gross value of all assets in the Fund.

**Benchmark** means the S&P Developed markets MidSmallCap (AUD) Net Total Return Index

**Business Day** means any day except any weekend or Australian national public holiday.

**Corporations Act** means the *Corporations Act 2001 (Cth)* and its amendments.

**Custodian** means Citigroup Pty Limited (ABN 88 004 325 080).

**IDPS** means an Investor Directed Portfolio Service, which includes superannuation master trusts, wrap accounts, investor directed portfolio services and IDPS-like services.

**Net Asset Value** at any time means the Asset Value less the liabilities (including any performance fee accrual) at that time.

**Performance Period** means:

(a) for the first Performance Period, the period commencing on the issue date of the first product disclosure statement for the Fund;

(b) subsequently, the period commencing immediately after the end of the previous Performance Period,

and ending on the earlier of:

(c) the end of the next Half Year Date; or

(d) the end of the day on which the Fund is wound up.

**Unit** means a Unit in the Fund.

**Unitholder** means an investor who has ownership of Units in the Fund.

**Valuation Time** means any time the Net Asset Value is determined.

### AML/CTF obligations

As part of anti-money laundering and counter-terrorism financing responsibilities required by legislation, the Responsible Entity, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Responsible Entity may not be able to accept an application for Units, refuse to accept an application for Units or suspend payment of withdrawal proceeds payable to a Unitholder. If an application for Units is not accepted for this reason, the Responsible Entity may hold application monies in an applications bank account until the required information is received. Application

monies are held for a maximum period of one month commencing on the day the Responsible Entity receives the application monies and will be returned (without payment of interest) to the source of payment after this period.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon reasonable request, in connection with money laundering and other regulatory matters, in any jurisdiction.

### Withdrawal restrictions

The Responsible Entity may process pro-rata withdrawal requests received on any Business Day to ensure that only 25% (or such percentage as the Responsible Entity may determine) of the value of Units in the Fund is withdrawn on any Business Day.

The Constitution of the Fund permits the Responsible Entity to suspend withdrawals (freeze withdrawals) for a reasonable period ('Suspension Period') in certain situations, including situations which impact on the effective and efficient operation of a market for an asset of the Fund. An investor's withdrawal request lodged during a Suspension Period is deemed to be received by the Responsible Entity immediately after the end of that Suspension Period.

If the Fund is illiquid (as defined in the Corporations Act), withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. Under the Corporations Act, a fund is illiquid if it has liquid assets (generally cash and marketable securities) that account for less than 80% of the value of the Fund. The Responsible Entity is not obliged to make withdrawal offers.

### Income distributions reports

Details relating to any tax-free or tax-deferred components, imputation credits or capital gain components for all distribution payments made during the year will be forwarded to Unitholders shortly after the end of each financial year.

### Income payments

Income distributions must be paid by either of the following methods:

- direct transfer to a nominated Australian bank account; or
- reinvestment to purchase additional Units.

Investors need to complete the appropriate section in the Application Form to elect their choice. If there is no notification of method of payment on the Application Form (or subsequent notification), income distributions will be reinvested.

There is no charge applied to reinvested income distributions. The issue price that will apply to Units from such reinvestment will be the unit price before application of the buy/sell spread after distribution. Reinvestment will be effected on the first Business Day after the close of each distribution period.

### Investing through an IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a Unitholder. If you are an indirect investor, generally the relevant IDPS operator acquires the rights of a Unitholder. Unitholder rights include the right to attend Unitholder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds. The offer document for your IDPS should have further details.

Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund. Investors investing in the Fund indirectly via an IDPS are entitled to rely upon the complaint resolution procedures set out in section 8

of the PDS. Indirect investors complete application forms for the IDPS, not the Fund, and receive reports from their operator, not the Responsible Entity. Enquiries should be directed to that operator.

Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors. Indirect investors may also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this PDS does not specifically cater for indirect investors.

### **Additional benefits of investing in the Canopy Global Small & Mid Cap Fund**

#### **Regular reporting**

Unitholders will be provided with the following reports:

- application and withdrawal confirmation statements;
- Unitholder statements, monthly;
- audited annual reports (and, if applicable, half-yearly financial reports and continuous disclosure notices) via our website;
- income distribution statements, annually; and
- tax statements, annually.

#### **Your rights**

Your rights as a Unitholder in the Fund are governed by the Constitution of the Fund and by legislation. They include the right to:

- receive distributions (where applicable);
- receive copies of accounts and other information for the Fund;
- attend and vote at Unitholder meetings;
- receive your share of distributions if the Fund is terminated;
- transfer Units to any other person, subject to the Responsible Entity's right to refuse such a transfer; and
- pass Units to any surviving joint holder by will or otherwise to your estate.

You do not have the right to participate in the management or operation of the Fund.

#### **Authorised agent**

You may appoint an agent to act on your behalf in relation to your investment in the Fund. We will generally act in accordance with your agent's instructions, other than where our risk procedures apply to the contrary, to help protect the security of your account.

Your agent's authority starts on the day the notice of the authority is received. It continues until the day we receive written advice from you terminating that authority. If you appoint a company as your agent, any director of that company or employee authorised by the agent can act under your agent's authority. Likewise, if you appoint a partnership as your agent, any of the partners can act under that authority. The Responsible Entity may vary the powers of your agent or cancel their authority at any time.

#### **Related party arrangements**

BFML is a wholly owned subsidiary of Bennelong Funds Management Group Pty Ltd ('BFMG'). BFMG provides operational support to its fully owned subsidiary BFML.

BFMG is a minority shareholder in Canopy. BFMG provides services such as distribution, marketing and administrative support to Canopy under a services agreement. BFMG receives a fee from Canopy for providing these services. All transactions between BFMG, BFML and Canopy are on arm's length terms.

## **3. Benefits of investing in managed investment schemes such as Canopy Global Small & Mid Cap Fund**

### **Benefits of investing in a managed investment scheme**

Investing in a managed investment scheme can offer a number of benefits, including:

- increased purchasing power – the size of a managed investment scheme means it can generally buy and sell assets at a lower cost than an individual investing directly;
- investment opportunities – managed investment schemes give you the opportunity to access a range of assets that you may not normally access as an individual investor; and
- professional investment management – your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

## **4. Risks of managed investment schemes**

No additional information has been incorporated by reference.

## **5. How we invest your money**

### **Investment guidelines**

Canopy manages the Fund with reference to the following guidelines:

- Number of holdings: 20-40.
- Market capitalisation: US\$1-70 billion.
- Geographies: Developed markets. The top five developed markets in the small and mid cap universe that we consider are the United States, Japan, the United Kingdom, Canada and France.
- Maximum individual position: 10%.
- Maximum cash position: 10%.
- Currency hedging: No.
- Derivatives: No.

### **Investment strategy**

The Fund's strategy involves investing in a balanced portfolio of high-quality small and mid cap companies that are deemed to be trading at attractive prices. This strategy is anchored in a core set of investment beliefs that serve as a framework for the Fund's investment decisions:

- High-quality companies with aligned and capable management tend to outperform expectations.
- Positive ESG practices are a pre-condition for business success.
- The best risk management tool is to buy with a margin of safety and to seek investments where our assessment is that the expected return outcomes are skewed to the upside.
- Concentrated portfolios can offer compelling upside with manageable risk.

- Market short-termism is the most abundant source of opportunity for long-term investors. Canopy believes that long-term investors are often presented with attractive, mispriced investment opportunities because markets are heavily influenced by traders focused only on the short-term.
- Unconventional thinking is necessary to deliver unconventional results. Canopy believes that the two prerequisites for superior investment returns are having an investment thesis that is different from the general market view, and that that view is correct.
- Collaborative investment teams with individual accountability can achieve better results.
- Leading-edge technology can deliver an investment advantage.

Canopy implements its investment strategy according to a disciplined investment process.

At first instance, a negative liquidity screen is run across all relevant securities to form Canopy's 'potential universe', typically consisting of several thousand securities.

The team generates investment ideas using a number of different approaches, including by utilising its proprietary ranking methodology to prioritize those securities that are likely to be of higher quality. For those prospects, it performs a qualitative assessment of business quality, forming an 'addressable universe' that will typically consist of several hundred securities.

Canopy generally expects fewer than 100 of those securities to be sufficiently prospective for potential inclusion in the Fund at any given time. These companies are approved by the team and actively monitored on an ongoing basis. For these companies, which it refers to as its 'investible universe', the team conducts a thorough qualitative assessment, including industry attractiveness, sustainable competitive advantages, management capability and alignment, environmental, social, and governance considerations, business growth and financial performance. It also maintains detailed valuation models, based on a proprietary valuation methodology, and conducts scenario analysis.

The portfolio is ultimately drawn from the most attractive of these opportunities, which tend to be the highest quality businesses, with the highest expected return, a favourable skew of potential investment outcomes, and the absence of material negative investment risks.

The final step in its process is a holistic one. We overlay risk limits on individual stock weights, and apply aggregation limits where there are common areas of risk. In doing so, the aim is to help ensure balanced exposures across the portfolio, which the team believes is important to support performance in a variety of market environments.

Each step of the process involves individual accountability and team collaboration, which Canopy believes enhances its collective efforts, while minimising errors and behavioural biases. The team performs pre- and post-mortems to continually improve its decision-making and processes.

### Labour standards and environmental, social, and ethical considerations

The Fund incorporates an evaluation of labour standards and environmental, social, and ethical considerations into each substantive step of its investment process. Its focus is on those factors that, based on a holistic assessment by the manager, are likely to materially impact the financial or operational performance of investee companies.

At first instance, a negative ESG screen is run for securities that have material exposure to industries that Canopy considers controversial, including but not limited to involvement in controversial weapons manufacturing (such as landmines and chemical weapons) and the production of tobacco and

tobacco-based products. For these purposes, 'material' is defined as a direct revenue exposure in excess of 10%. While its focus on developed markets is likely to inherently reduce its risk of investing in countries with oppressive regimes or systematically perpetrating human rights violations, such geographies are also explicitly excluded from its investable universe.

For those companies that do meet the threshold for universe inclusion, Canopy expressly includes consideration of material ESG practices in its business quality evaluation process, consistent with its view that, above all, poor ESG practices are a business risk. As part of Canopy's in-depth research process, Canopy assesses each company's ESG practices. This process uses information published by the Company, including proxy forms and sustainability reports, research produced by third-party ESG services, as well as discussions with company representatives, suppliers, customers, competitors, and other industry experts. Companies assessed as being more exposed to ESG-related issues are consequently less likely to be assessed as high quality, with implications for their portfolio inclusion and weight. For example, while Canopy does not explicitly exclude companies operating in fossil fuel and commodities-related industries from its investible universe, the Fund's business quality assessment process is such that these companies are far less likely to be included in its portfolio.

With reference to its investee companies, Canopy is proactive in engaging with company executives on ESG-related matters and exercises its proxy voting rights with a view to encouraging companies to adopt ESG best practices and transparency. To the extent that Canopy considers an investee company's ESG practices unsatisfactory, and it is unwilling or unable to alter those practices, Canopy may decide to avoid or divest, on a case-by-case basis. Where Canopy chooses to divest a security due to ESG considerations, it will do so within a timeframe it considers reasonable in all the circumstances.

## 6. Fees and costs

### Fees and costs summary

#### Canopy Global Small & Mid Cap Fund

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	1.15% p.a. of the NAV of the Fund.	The management fee component of the management fees and costs is calculated and accrued daily and payable within 21 days of the end of the month from the Fund's assets.

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	0.23% p.a. of the NAV of the Fund.	This fee is only payable if the investment return of the Fund is greater than the return generated by the Benchmark (i.e. if there is a positive Performance Fee accrual), and if the absolute performance of the fund during the Performance Period is positive. The Performance Fee is payable within 21 days of the end of each Performance Period.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	0.01% p.a. of the NAV of the Fund.	Transaction costs are deducted from the assets of the Fund. They are recovered as they are incurred and reflected in the Unit price. They are disclosed net of amounts recovered by the buy-sell spread.

#### Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	The current buy spread is 0.20% of the investment amount upon entry. The current sell spread is 0.20% of the withdrawal amount upon exit.	Charged and paid into the Fund when you invest in, or withdraw from, the Fund. The spread is reflected in the application and withdrawal prices.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

## Management fees and costs

Management fees and costs of the Fund as set out in the PDS are the additional fees or costs that an investor incurs by investing in the Fund rather than by directly investing in the assets. This includes components such as management fees, expenses and indirect costs. Indirect costs are not applicable to this Fund.

### Management fee

The Responsible Entity is entitled to a management fee of 1.10% p.a. of the Net Asset Value of the Fund, which is included in the management fees and costs amount of 1.15% p.a. in the 'Fees and costs summary'. The management fee is calculated and accrued daily and payable within 21 days of the end of the month from the Fund's assets. As at the date of this PDS, the management fee component covers Responsible Entity fees and investment management fees.

### Expenses

All expenses properly incurred by the Responsible Entity in connection with the Fund (including the establishment of the Fund) or in performing the Responsible Entity's obligations under the Constitution are permitted to be reimbursed out of the Fund. These expenses include ordinary expenses such as administration, custodial, accounting, registry, production of offer documents, audit, legal, government charges, taxation advice, adviser, filing, postage, courier, faxing, photocopy, telephone and printing expenses. Extraordinary expenses such as litigation or unitholder meetings (if applicable) are also included.

There is no limit in the Fund's Constitution on the amount of expenses that may be reimbursed out of the Fund. However, the Responsible Entity currently chooses to cap the amount of expenses recoverable in each year at 0.05% p.a. of the Net Asset Value of the Fund and this is the amount charged to the Fund during the last financial year and it is included in the "Management fees and costs" figure in the "Fees and costs" table.

The Responsible Entity reserves the right to recover expenses incurred in any income year above the cap in a later income year subject to the 0.05% p.a. of Net Asset Value expenses recovery cap being met.

The Responsible Entity also reserves the right to increase the capped amount of expenses, or remove the cap entirely, in future. In case of an increase, the Responsible Entity will give 30 days notice to Unitholders.

### Indirect costs

In general, indirect costs are any amounts that directly or indirectly reduce the returns on the Units that are paid from, or the amount or value of, the income or assets of the Fund (including an underlying investment of the Fund). Indirect costs are reflected in the Unit price of your investment in the Fund.

The indirect costs component of the management fees and costs amount in the 'Fees and costs summary' is 0.00% p.a. of the average Net Asset Value of the Fund.

The Responsible Entity has a policy in place that contains information on how indirect costs are estimated. If you require more information on this policy, please contact the Responsible Entity.

### Performance fees

In addition to the management fee, a performance fee may be payable to the Responsible Entity in respect of the Fund. The performance fee is set at 15.375% (including GST net of reduced input tax credits) of outperformance, which occurs where the Fund's return, after fees and expenses, exceeds the Benchmark return. The Performance Fee accrues at each Valuation Time as the sum of: (i) the accruals during a Performance Period; and (ii) the net



accruals carried forward from any previous Performance Period. The Performance Fee, if positive, is payable within 21 days of the end of each Performance Period out of the Assets.

If at the end of a Performance Period, the Performance Fee accrual is: (i) positive but the absolute performance of the Fund is negative, the Performance Fee will not be payable and will be carried forward to the next Performance Period; or (ii) negative, the negative accrual will carry forward to the next Performance Period.

The total Performance Fee payable is capped at 1.50% of the daily average Net Asset Value before Performance Fees for the Performance Period. If the accrued Performance Fee exceeds this cap, the excess will be carried forward to the next Performance Period.

Should a Unit be redeemed before the end of a Performance Period, and the Performance Fee accrual is positive at the applicable Valuation Time for that redemption, the Responsible Entity will be entitled to the proportion of the positive Performance Fee accrual attributable to the redeemed Unit. Alternatively, if the accrual is negative, the negative Performance Fee accrual will be proportionally reduced by the amount attributable to the redeemed Unit.

### Differential fees

Subject to the Corporations Act and the Constitution of the Fund, the Responsible Entity may negotiate lower or different fees with, or pay rebates to, certain investors that are wholesale clients as defined in the Corporations Act.

### Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage.

Transaction costs incurred as a result of Unitholders coming into and going out of the Fund may be recovered by way of the buy/sell spread charged to investors. Other transaction costs are additional costs to Unitholders that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Unit price.

The total gross transaction costs expected to be incurred by the Fund are approximately 0.15% p.a. as a percentage of the Fund's average Net Asset Value for that period.

The total net transaction costs expected to be incurred as set out in the 'Fees and costs summary' are shown net of any amount recovered by the way of the buy/sell spread charged to investors, and as a percentage of the Fund's average Net Asset Value in that period. These costs are expected to be approximately 0.01% p.a. These costs are based on the reasonable estimate of the costs for the current financial year, adjusted to reflect a 12-month period.

Transaction costs may vary, as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transaction costs not covered by the buy/sell spread. Further, there are highly variable drivers upon which such transaction costs are dependent.

### Buy/sell spread

The buy/sell spread is an additional cost to you and is an adjustment to the Unit price. It represents a contribution to the estimated transaction costs (such as brokerage) incurred when assets are bought and sold by the Fund.

The current buy spread is 0.20% of the investment amount. The current sell spread is 0.20% of the withdrawal amount. This charge is levied to investors applying for Units or withdrawing Units and is retained in the Fund.

For example, an investment of \$50,000 would incur a buy spread of \$100 and a withdrawal of \$50,000 would incur a sell spread of \$100.

The application of a buy/sell spread means that transaction costs for investor-initiated transactions are allocated to the investor initiating the transaction, rather than being spread across the whole Fund.

The buy/sell spread is reviewed on an annual basis to ensure it reflects up-to-date costs of acting on investor initiated transactions.

There is no buy/sell spread on distributions from the Fund that are re-invested.

We may vary the buy/sell spread from time to time and prior notice will not normally be provided to you. Updated information will be posted on our website ([bennelongfunds.com](http://bennelongfunds.com)).

If buy and sell spreads are charged and represent only a portion of the Fund's transaction costs incurred during a financial year, the balance of the Fund's transaction costs will be borne by the Fund from the Fund's assets without any recovery from individual investors. If buy and sell spreads charged exceed the Fund's transaction costs during a financial year, the balance of the buy and sell spreads will be retained by the Fund.

### Goods and Services Tax ('GST')

All fees and expenses referred to in the PDS and this Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund (refer to Section 7 of this Booklet). The benefits of any tax deductions are not passed on to Unitholders. Please refer to Section 7 for further information on tax.

### Administration fees

The Responsible Entity may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by the Responsible Entity and not by the Fund. It is not payable out of the assets of the Fund and is not a separate additional charge to investors.

### Fee changes

The Constitution of the Fund sets out the fees and expenses payable by the Fund. The Constitution of the Fund permits higher management fees and performance fees to be charged. The Responsible Entity can change the amount of fees without your consent, as long as it does not exceed the amount of fees permitted under the Constitution of the Fund. The actual performance fee, and expenses and indirect costs forming part of management fees and costs, may be different to those in the fee table. You will be given written notice of any variation of fees charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in management fees, performance fees, or charges, you will be notified 30 days before the increase takes effect). Changes to expenses within the cap, indirect costs, transaction costs and the buy/sell spread do not require prior notice to investors.

### Alternative forms of remuneration

We may provide alternative forms of remuneration which include professional development and sponsorship to financial services licensees, authorised representatives, and master trust or IDPS operators. Where such benefits are provided, they are payable by the Responsible Entity and are not an additional cost to you. We will not pay any remuneration to advisers if it is prohibited by law.

### Other fees and costs

These may include additional fees and costs that apply to investors accessing the Fund through an IDPS. We may make payments to IDPS operators out of the fees we receive.

## 7. How managed investment schemes are taxed

### General

The following taxation information is of a general nature and should not be relied upon by investors. The information provided is based on applicable Australian tax laws as at the date of this Additional Information Booklet.

As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The taxation information below provides a guide for Australian resident investors only.

### Tax position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine net income annually at 30 June.

Generally, no Australian income tax will be payable by the Fund, on the basis that:

- where the Fund is an Attribution Managed Investment Trust ('AMIT'), all taxable income is intended to be attributed to investors for each income year (see below); or
- where the Fund is not an AMIT, investors are presently entitled to all of the Fund's distributable income.

The Fund may derive franking credits from the receipt of franked dividends. The eligibility of the Fund to distribute franking credits is subject to certain conditions such as the holding period rule. An investor's individual circumstances will also be relevant in determining whether an entitlement to franking credits exists.

In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to Unitholders. It may be available for recoupment by the Fund against net income in future years, subject to certain conditions.

The Fund has made a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election means gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the 'financial arrangement provisions') are subject to capital account treatment.

### Tax position of Australian resident investors

#### Distributions

Taxable income earned by the Fund, whether attributed (for an AMIT), distributed, retained or reinvested, can form part of the assessable income for investors in the year of entitlement or attribution. After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to net income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement or attribution arises.

#### Foreign income

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, you may be entitled to receive a foreign income tax offset ('FITO'). You will usually include the foreign

income and the FITO in your assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax report provided to you.

### Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund. If the investor has no cost base the amounts may trigger a taxable capital gain.

### AMIT regime

The Responsible Entity has elected to apply the AMIT rules to the Fund.

Under the AMIT rules, the Fund is deemed to be a 'fixed trust' for taxation law purposes that can rely on specific legislative provisions to make a yearly adjustment to reflect under-or-over distributions of income. As a result, the Fund's income will be 'attributed' to investors.

Australian resident investors will be subject to tax on the income of the Fund which is attributed to them under the AMIT rules. The tax payable (if any) depends on the investor's individual tax profile and applicable tax rate.

The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement').

The AMMA Statement will set out the amount which has been attributed to an investor (and where relevant, its components) and other relevant tax information.

If an investor disagrees with the Responsible Entity's attribution of income, the investor can object to that attribution and substitute the Responsible Entity's determination with their own. If as an investor you decide to take this course, it is important that you obtain professional tax and legal advice. You must contact the Responsible Entity before notifying the Commissioner of Taxation.

### Tax File Number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for you to quote your TFN or ABN. You may quote an ABN instead of a TFN if you are making an investment in the Fund in the course of a business or enterprise carried on by you.

If you fail to quote an ABN or TFN or claim an exemption, the Responsible Entity may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to you.

### The Responsible Entity's reporting obligations

The Government has implemented the OECD Common Reporting Standard ('CRS') which requires the Responsible Entity to collect information from Unitholders and report information in relation to certain Unitholders with foreign residencies to the Australian Tax Office ('ATO'). That information may be provided by the ATO to foreign tax authorities in jurisdictions that have adopted the CRS. Similar obligations relating to the collection and reporting of Unitholder information are imposed on the Responsible Entity as a result of Australia enacting legislation that relates to the Foreign

Account Tax Compliance Act ('FATCA'). FATCA is US tax law which was enacted for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the United States Internal Revenue Service.

### **GST**

The GST information provided in this section is of a general nature only.

GST will apply to the management fee. Fees and costs included in Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund. GST will also apply to most other Fund expenses.

Generally, the Fund cannot claim full input tax credits for GST incurred on expenses, but the Fund may be entitled to reduced input tax credits for any GST paid in respect of these expenses.

## **8. How to apply**

### **Payments via BPAY®**

You can also make your application payment via BPAY using the following details:

- BPAY Biller Code: 266775
- BPAY Customer Reference Number (CRN): this will be provided via email shortly after the application has been submitted.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Note you are not able to make payments by BPAY if you are a New Zealand investor.

## **Get in touch**



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