

# KFM Income Fund

## Product Disclosure Statement

ARSN 126 274 575  
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This Product Disclosure Statement ("PDS") was issued on 7 July 2021. This PDS is for the offer of interests in the KFM Income Fund ARSN 126 274 575 (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the Responsible Entity of the Fund (referred throughout this PDS as the "Responsible Entity", "us" or "we"). The Investment Manager is Kaplan Funds Management Pty Limited (KFM) (referred to throughout this PDS as "KFM" or the "Investment Manager").

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors who invest indirectly through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Equity Trustees consents to the use of this PDS by IDPS Operators who include the Fund on their investment menus but accept no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Equity Trustees or to withdraw the PDS from circulation if required by Equity Trustees. Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider the suitability of the Fund in view of your financial position, investment objectives and needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your circumstances.

The Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety.

In particular, in considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 6.

All amounts quoted in this PDS are in Australian dollars ("AUD") unless stated otherwise.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). If you received this PDS electronically we will provide a paper copy free upon request during the life of this PDS. Please call KFM Funds on 1300 738 421 for a copy.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- by calling KFM on 02 8917 0380; or
- by visiting KFM website at [www.kfmincomefund.com.au](http://www.kfmincomefund.com.au)

A paper copy of the updated information will be provided free of charge on request. Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"), and all amounts are in AUD.

# 1. Fund at a glance

Summary	For further information
Name of the Fund ARSN	KFM Income Fund 126 274 575
Investment objective	To provide an income stream in excess of the 1-year Bank Bill Swap Rate (BBSW) which is the Fund's benchmark. The Fund is managed on an absolute basis and aims to produce a consistent return largely comprised of income generated from a diversified portfolio of liquid and Australian Securities Exchange ("ASX") listed securities, coupled with low volatility and some capital growth over time.
Fund Benchmark	The Fund's benchmark is the 1-year BBSW.
Investment strategy and investments held	The Fund invests predominantly in high yielding securities listed on the ASX such as hybrid securities and corporate bonds (fixed and floating), unsecured fixed interest investments, property trusts, preference shares, utilities and infrastructure securities and high yielding ordinary shares, particularly bank shares, as well as government bonds and cash.
Type of assets and allocation ranges	Asset Type – Range (%) – Neutral (%) Interest Rate Securities – 0-60 – 30 Utilities – 0-25 – 12.5 Property Trusts – 0-25 – 12.5 Buy & Write (Leading stocks & options) – 0-50* – 25 Cash – 0-100 – 20  *Subject to a maximum net exposure limit of 25% after taking into account written Option Delta. Option Delta is the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of the derivative. For example, an Option Delta of 0.7 means that for every \$1 the underlying asset increases, the Call Option will increase by \$0.70.
How hedging works in the Fund	The Fund is permitted to use futures and ASX exchange traded options for hedging purposes only. The "Investment Manager" employs the Buy & Write strategy whereby Covered Call Options are sold over the underlying physical securities holdings to generate income and partially protect the assets of the Fund.
Fund type	The Fund is a managed investment scheme which is registered with ASIC. When you invest your money in a managed investment scheme, your money is pooled together with other people's money. We use this pool of money to buy investments and manage them on behalf of all scheme investors. The Fund is deemed under ASIC Regulatory Guide 240 to be a hedge fund for information disclosure purposes and this PDS has been prepared in accordance with hedge fund information disclosure requirements.
Investment in the Fund	Investors may invest in the Fund by applying for and being issued with units in the Fund. In general, each unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give the investor an interest in any particular asset of the Fund.
The type(s) of investors for whom the Fund would be suitable	Investors who want to maximise income returns by investing in income generating assets; and investors who are seeking some capital growth potential over the medium term and are willing to accept the possibility of negative returns over the shorter term. As a result of the investment strategy, the Investment Manager regards the Fund's standard risk level to be medium. Medium being the risk level determined when a Fund has 2 to less than 3 numbers of negative annual returns over any 20-year period. The standard risk level methodology was jointly developed by the FSC and ASFA.
Recommended investment timeframe	At least 3 years.  We recommend that you consider, with your financial adviser, the suggested investment period for the Fund in relation to your own investment timeframe.  You should review this regularly to ensure that the Fund continues to meet your investment needs.

Summary	For further information
Minimum initial investment	\$5,000 or \$1,000 where you will be contributing to the regular investment plan.
Minimum additional investment	\$1,000 or, for the regular investment plan, \$250 each month.
Minimum withdrawal amount	\$1,000
Minimum balance	\$5,000
Cut off time for applications and withdrawals	3.00pm Melbourne time on a Business Day
Cooling Off	Yes – see Section 7 for details
Valuation frequency	Daily
Unit pricing	Daily
Applications	Daily
Withdrawals	Daily; usually processed within 5 Business Days and paid within 30 days.
Income distribution	Quarterly within 30 days after the end of March, June, September and December. Reinvested if not otherwise instructed.
Management fee and costs	0.79% p.a. of the Net Asset Value ("NAV") (including GST less RITCs)
Entry fee/ exit fee	Nil
Performance fee	A performance fee of 10.25% p.a. will be payable if the Fund's gross performance exceeds the Fund's benchmark of the 1-year BBSW plus 4% p.a. The performance fee is subject to a high-water mark.
Investment Reports and contact details	The Fund will provide annual and periodic reporting on the Fund's performance and key issues.
	Sections 1, 2 & 8.

## 2. ASIC Benchmarks

The information summarised in this table and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in section 6 of this PDS.

Benchmark	Is the benchmark satisfied?	For further information
Benchmark 1: Valuation of assets  This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	Please refer to Section 5 of this PDS for further information.
Benchmark 2: Periodic reporting  This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information on an annual and monthly basis.	Yes	Please refer to Section 8 of this PDS for further information.

### 3. Disclosure Principles

	Summary	Section (for further information)
Investment strategy	The Fund invests predominantly in high yielding securities listed on the ASX such as hybrid securities and corporate bonds (fixed and floating), unsecured fixed interest investments, property trusts, preference shares, utilities and infrastructure securities and high yielding ordinary shares, particularly bank shares, as well as cash. Option strategies are used for generating additional income and partial asset protection.	See Section 5.2
Investment manager	KFM was established by Mr Sam Kaplan in June 1998 to manage money for the professional investor market and various charities. Funds under management currently stand in excess of \$1 billion.  KFM believes that wealth is accumulated through investing in productive businesses and sound assets managed in an active and disciplined manner to produce consistent returns. They have an orientation to generating income for investors, whilst aiming to limit capital loss.	See Section 4
Fund structure	The Responsible Entity of the Fund is Equity Trustees who has appointed KFM as the Investment Manager.	See Section 5.3
Valuation, location and custody of assets	National Australia Bank Limited has been appointed by Equity Trustees as the Custodian of the assets and Administrator of the Fund. The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Administrator of the Fund provides administrative and accounting services. The Administrator is responsible for valuing and determining the Fund's NAV.	See Section 5.5
Liquidity	The majority of assets currently traded and held by the Fund are liquid and it is expected to be liquid for the purposes of the Corporations Act.	See Section 5.6
Leverage	It is not the intention of the Investment Manager for the Fund to borrow money, to gear or add leverage.	See Section 5.4
Derivatives	The Fund is permitted to use futures and ASX traded options for hedging purposes only. No OTC derivatives are permitted. The Investment Manager employs the Buy & Write strategy whereby Covered Call Options are sold over the underlying physical securities holdings to generate income and partially protect the assets of the Fund.	See Section 5.8
Short selling	The Fund is not permitted to short sell.	
Withdrawals	Daily: Withdrawal requests received by KFM before 3.00pm Melbourne time will generally take effect on the same Business Day. Payment of withdrawals is usually made by deposit to your nominated bank account. Withdrawals are generally processed within 5 Business Days after receipt of a correctly completed withdrawal request.  Circumstances where suspension or delay of withdrawals may occur are set out in Section 5.10	See Section 7

## 4. Who is Managing the Fund?

### The Responsible Entity

#### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed KFM as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

### The Investment Manager

#### Kaplan Funds Management

KFM was established by Mr Sam Kaplan in June 1998 to manage money for the professional investor market and various charities. Funds under management currently stand at approximately \$1.0 billion.

KFM believes that wealth is accumulated through investing in productive businesses and sound assets managed in an active and disciplined manner to produce consistent returns. They have an orientation to generating income for investors, whilst aiming to limit capital loss.

#### Key individuals

Key individuals who will play a key role in the investment decisions of the Fund's investment strategy are:

Sam Kaplan - Managing Director, Kaplan Funds Management Pty Limited

Mr Kaplan has 43 years' investment management experience. He was the investment manager of Qube Holdings Limited from its foundation in 2006 until its restructure in 2011 and previously General Manager Investments of NRMA Insurance Group. Mr Kaplan is currently non-executive Deputy Chairman of Qube Holdings Limited.

Douglas Hew - Investment Manager and Director, Kaplan Funds Management Pty Limited

Mr Hew has 35 years' investment management experience. He was previously a director of Hopkins Partners and an investment manager of Potter Warburg Asset Management and Hambros Australia.

Key individuals devote approximately one third of their time managing income funds for KFM.

#### Termination of the appointment of KFM

The Responsible Entity has the right to terminate the services of KFM as investment manager by giving 5 Business Days' notice to KFM. The Responsible Entity may also immediately terminate the investment management agreement by giving written notice to the Investment Manager where:

the Investment Manager goes into administration, receivership or liquidation;

the Investment Manager ceases to carry on business in relation to its activities as an investment manager;

the Investment Manager breaches the terms of the investment management agreement and fails to remedy the breach within the time specified under the investment management agreement;

there is a change of control of the Investment Manager, or where the responsible entity is required to terminate the investment management agreement under the law.

### The Custodian and Administrator

#### National Australia Bank ("NAB")

National Australia Bank Limited ("NAB") has been appointed by Equity Trustees as the Custodian of the assets and Administrator of the Fund. The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Administrator of the Fund provides administrative and accounting services. The Administrator is responsible for valuing and determining the Fund's NAV. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

The Custodian holds investments of the Fund as bare trustee and such investments are not investments of NAB or any other member of the NAB group of companies ("NAB Group"). Neither NAB, nor any other member of NAB Group, guarantees the performance of the Fund, or provide a guarantee or assurance in respect of the obligations of the Responsible Entity or its related entities.

## 5. How the Fund Invests

### 5.1 Investment objective

To provide an income stream in excess of the 1-year BBSW which is the Fund's benchmark. The Fund is managed on an absolute basis and aims to produce a consistent return largely comprised of income generated from a diversified portfolio of liquid and ASX listed securities, coupled with low volatility and some capital growth over time.

### 5.2 Investment strategy

The Fund invests predominantly in high yielding securities listed on the ASX such as hybrid securities and corporate bonds (fixed and floating), unsecured fixed interest investments, property trusts, preference shares, utilities and infrastructure securities and high yielding ordinary shares, particularly bank shares, as well as government bonds and cash.

*Typical location and currency denomination of the asset:*

Asset Class	Currency	Responsible Custodian	Location of Custodian	Assets as a proportion of Net Asset Value of the Fund
Withdrawals	Australian dollars	National Australia Bank Limited	Australia	100%

*Role of leverage, derivatives and short selling:*

The Fund will not borrow money, to gear or to add leverage. The Fund is not permitted to short sell. The Fund is permitted to use futures and ASX exchange traded options for hedging purposes only. The Investment Manager employs the Buy & Write strategy whereby Covered Call Options are sold over the underlying physical securities holdings to generate income and partially protect the assets of the Fund.

#### How the strategy will produce investment returns:

The Fund's objective is to provide income generation with some capital appreciation.

KFM seeks to achieve a rate of return in excess of the 1-year BBSW by investing in a combination of income producing sectors: cash, government bonds, hybrids and corporate interest rate securities, equities (leading companies under Buy & Write strategies, infrastructure, property trusts and utility stocks). The Buy & Write strategy involves buying selective shares and selling Call Options over those shares. This strategy gives away some of the upside potential from a shareholding but in return generates option premium income useful for downside protection or to enhance the income return from a shareholding. KFM believes their primary goal is to construct a diversified portfolio which generates significant and sustainable income, benefiting from compounding, while protecting client's capital. KFM believes that wealth is accumulated through investing in productive businesses and sound assets managed in an active and disciplined manner to produce consistent returns. KFM's asset selection has a value orientation and relies on careful quantitative and qualitative research. Consequently, KFM employs an absolute return philosophy whereby they will actively alter the composition of the portfolio to reflect their views on the macro-economic environment in order to manage risk and return. The purpose of the macro-assessment is to identify investment conditions and any thematic or industry changes that may impact the investment environment and consequently identify potential opportunities or threats. Broadly, the investment process consists of four stages:

- macro-economic analysis;
- sector/stock/option selection;
- investment review; and
- portfolio construction.

#### Description of the Fund's investment strategy:

*Typical asset classes:*

Commonwealth or State Government Bonds; Fixed interest investments; High yielding securities including convertible notes, income securities, preference shares, hybrid securities, corporate bonds, property trusts and high yielding shares such as bank, utility and infrastructure shares/securities listed on the ASX; Futures and exchange-traded options; and Liquids (deposits and securities with maturities of less than twelve months) and cash. No OTC derivatives are utilised by the Fund.

**Key dependencies or assumptions, underpinning the strategy's ability to produce investment returns (e.g. market conditions or interest rates):**

The success of the Investment Manager's investment strategy is subject to a number of factors and subject to a number of key risks and assumptions. These risk factors and assumptions and the Fund's risk management measures are summarised in Section 6.

#### Diversification guidelines or limits are:

To view the type of assets and allocation ranges permitted by the Fund refer to page 4. No one investment is to exceed 15% of the Fund's market value at time of purchase. Derivatives may be used to cover 50% of the underlying physical value of the portfolio with the net Delta adjusted exposure not exceeding 25% of the portfolio. Net Delta is measured by calculating the physical weight less the written Option Delta. Exchange-traded equity call and put options are derivatives permitted for use and may be used for hedging purposes only with cash or script cover against short option positions. Options must be a derivative of authorised investments of the Fund.

#### Specific risks associated with the relevant investment strategy:

The risks of the Fund are the inherent risks associated with investing in high yielding securities listed on the ASX and the use of option strategies for generating income and asset protection. More information can be found in Section 6 "Managing Risks".

#### Key aspects of the Fund's risk management strategy:

KFM uses a number of proprietary real time tools to monitor the portfolio and seek to ensure Fund compliance within the portfolio sector allocation ranges and individual security constraints.

The Fund primarily attempts to reduce risk in three ways - diversification, liquidity and sector rotation. Diversification is achieved by investing in sectors that are lowly correlated and have less volatility relative to shares. In relation to options, positions are structured with varying maturities and strike prices to reduce the risk of exercise and provides for a regular review of open positions. Interest rate risk is managed through diversification across sectors that have either fixed or floating yield characteristics. Credit risk is managed through ensuring a substantial portion of listed interest rate securities are rated investment grade or issued by corporations with an investment grade rating. Liquidity is sought to ensure by only investing in ASX listed securities. The mandatory redemption (securities reaches maturity) profile of the hybrid and corporate interest rate securities portfolio, also provides the Fund with liquidity that is non-market based. Sector rotation between cash, hybrids & corporate bonds, property trusts, utilities, and Buy & Write equities is viewed as an important source of risk management, enabling KFM to avoid sectors when the macroeconomic environment is less favourable.

The Fund is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when they fall due. This refers to the issuer of a debt instrument failing to pay interest or repay the principal sum. The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. Fixed interest assets of the Fund are exposed to credit risk.

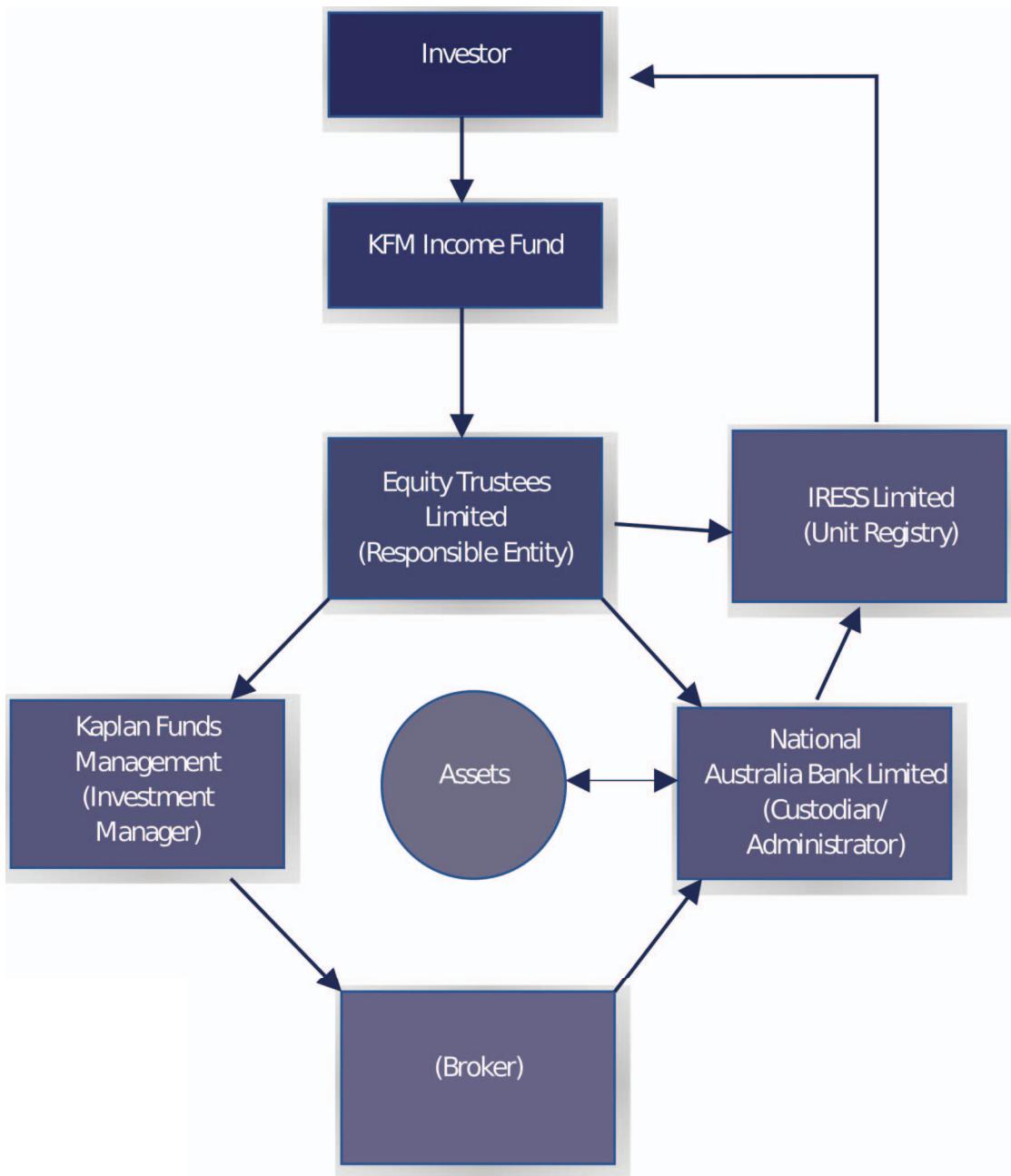
The mix of asset class/type ranges referred to on page 4 may be exceeded from time to time due to a number of factors, such as large inflows into the Fund or through significant market

movements. KFM aims to maintain the Fund's exposure within these ranges at all times. Where there is a material change to the investment strategy or the mix of asset class/type of the Fund we will give not less than 30 days prior notice to investors of the Fund. A material change in the investment strategy may occur after consultation between the Investment Manager and Responsible Entity, where it is determined that the current strategy is inappropriate to deliver the Fund's objective as a result of a substantial change to economic and/or investment conditions.

### 5.3 Fund Structure

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with its investment strategy. An investment in the Fund is represented by the issue of units. Each unit in the Fund represents a proportional interest attributable in value to the underlying value of the net assets in the Fund having regard to the total number of issued units in the Fund. Unit prices are based on the value of all the investments in the Fund (which may rise and fall) less any liabilities of the Fund, and inclusive of the Buy-Sell Spread. Unit prices are calculated each Business Day and may change daily. Equity Trustees is the Responsible Entity for the Fund and has appointed KFM as the Investment Manager. The Responsible Entity has engaged and entered into service agreements with a number of professional service providers to provide a range of investment, administration and back office services to the Fund, including custody, brokerage, administration services and transaction execution. The Responsible Entity with the assistance of KFM will monitor the performance of the service providers against service standards set out in the relevant agreements.

Please refer to the diagram below:



#### 5.4 Leverage

Leverage occurs when a fund has exposure to underlying assets which is more than the amount invested. This can occur as a result of borrowing money to invest or through the use of derivatives. The Fund's investment strategy does not involve the

borrowing of money. However, the Fund will invest in derivatives to increase or decrease its exposure to investments but will not use derivatives to create leverage.

No OTC derivatives are utilised by the Fund.

#### 5.5 Valuation, location and custody of assets

All assets in the Fund are independently valued by the Administrator. The majority of assets currently traded and held in the Fund are exchange traded and are valued on a mark to market basis at the close of trading each day.

The following list sets out the type of assets and allocation ranges:

Asset Type	Range %	Neutral %
Interest Rate Securities	0-60	30
Utilities	0-25	12.5
Property Trusts	0-25	12.5
Buy & Write (Leader stocks & Options)	0-50*	25
Cash	0-100	20

\*Subject to a maximum net exposure limit of 25% after taking into account written Option Delta.

Asset Class	Responsible Custodian	Location of Custodian	Assets as a proportion of Net Asset Value of the Fund
All	National Australia Bank Limited	Australia	100%

## 5.6 Liquidity

The majority of assets currently traded and held by the Fund are liquid. The Responsible Entity and Investment Manager expect that the Fund will be able to realise around 80% to 100% of its assets within 5 Business Days under normal market conditions and based on daily average volume over the last 12 months.

## 5.7 Short Selling

The Fund will not engage in short selling.

## 5.8 Derivatives

The Fund is permitted to use exchange traded derivatives such as futures and ASX exchange traded options, for hedging purposes only. No OTC derivatives are used by the Fund.

The Investment Manager employs the Buy & Write strategy whereby Covered Call Options are sold over the underlying physical securities holdings to generate income and partially protect the assets of the Fund.

Exchange traded derivatives have a visible and transparent market price as prices are published on the market exchange on which they are bought and sold. Exchange traded derivatives expose investors to minimal counterparty risk as the counterparty to the derivative contract is the Clearing House rather than another party – contracts are standardised and subject to rules and regulations of the relevant exchange (in the case of the Fund's investments, the ASX).

## 5.9 Withdrawals

The Fund trades predominantly in liquid instruments, therefore is not likely that withdrawal requests cannot be satisfied in virtually all market conditions

Payment of withdrawals is usually made by deposit to your nominated bank account. Withdrawals are usually processed within 5 Business Days after receipt of a correctly completed original withdrawal request although the Fund's Constitution allows longer under certain circumstances. They include:

- the closure of a securities exchange or trading restrictions on a security exchange;
  - an emergency state of affairs;
- or
- the realisation of investments not being able to be effected at prices which would be realised if investments were sold in an orderly fashion over a reasonable period in a stable market.

Where there is a suspension of withdrawals or where the proportion of liquid assets of the Fund falls below the specified thresholds under the Corporations Act, investors may not be able to withdraw their investments within the usual period upon request.

In the unlikely event that material changes to withdrawal rights are made, investors will be notified.

## 5.10 Suggested minimum investment timeframe

The suggested investment timeframe is at least 3 years.

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

Whilst KFM intends to conduct its affairs in an ethical and sound manner, its investment criteria do not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment of the Fund.

## 5.12 Fund performance

Up to date Fund performance is available by contacting the KFM on 02 8917 0380 Monday to Friday between 9.00am and 5.30pm Sydney time (excluding NSW public holidays) or online at [www.kaplanfund.com.au](http://www.kaplanfund.com.au).

## 5.13 Significant Benefits

The Fund aims to provide positive returns across a broad range of market conditions. Some of the significant benefits of investing in the Fund are as follows:

- An objective of achieving an income yield above the bank bill rate from a diverse source of income plus franking credits.
- Absolute Returns: The Fund aims to provide positive investment returns across a broad range of market conditions in Australia.
- Diversified Returns: It is also intended to provide returns that have a lower correlation to equity and bond markets.
- Allocation to assets that are liquid and transparent.
- Risk Management: The Fund has implemented systematic measuring, monitoring and management of investment risk.
- Regular Reporting: The Fund provides regular investment reporting (annual as well as periodic) with respect to your investment.

## 6. Managing Risk

The Fund's strategy is designed to produce consistent returns largely comprised of income generated from a diversified portfolio of liquid and ASX listed securities, coupled with low volatility and some capital growth over time. The Fund primarily attempts to reduce risk in three ways - diversification, liquidity and sector rotation. Diversification is achieved by investing in sectors that are lowly correlated and have less volatility relative to shares. In relation to options, positions are structured with varying maturities and strike prices to reduce the risk of exercise and provides for a regular review of open positions. Interest rate risk is managed through diversification across sectors that have either fixed or floating yield characteristics. Credit risk is managed through ensuring a substantial portion of listed interest rate securities are rated investment grade or issued by corporations with an investment grade rating.

All investments have some level of risk. Different strategies carry different levels of risk, depending on the assets that make up the strategy. Managed investment schemes can invest in a range of asset classes – for example, cash, bonds, equities and property. The likely investment return, and the level of risk of losing money, is different for each investment depending on the underlying assets. Those assets with potentially the highest return (such as equities), may also have the highest long-term risk of losing money on a shorter term view.

The standard risk level of the Fund is medium. Medium being the risk level determined when a Fund has 2 to less than 3 numbers of negative annual returns over any 20 year period. The standard risk level methodology was jointly developed by the FSC and ASFA. The Fund is designed for those investors who want to maximise income returns with some capital growth and who are willing to accept the possibility of negative returns over the short term.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some of your money in some years. Your financial adviser can help you understand investment risk and help you design an investment strategy that is right for you.

### Key Risks of the Fund

#### Price Risk:

The Fund is exposed to equity securities and derivative securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. The level of returns may vary and future returns may differ from past returns. The value of investments will vary in line with movement in the value of the Fund's assets. Changes in the price of shares held for the Fund may result in a loss to the Fund.

Many factors drive share prices, including profits made by companies and industries, economic cycles, volume of trading, investor demand, business confidence and government and central bank policies. Derivatives can be used to manage risks, but may expose the Fund to other risks. This includes the risk that a derivative may be difficult or costly to reverse, or that there is a negative movement in the asset, interest or, exchange rate or index the derivative is designed to track. A derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the derivative. The type of derivatives which the Fund may invest in are exchange traded options.

Derivatives may be used to cover up to 50% of the underlying physical value of the Fund with the net Delta adjusted exposure not exceeding 25% of the Fund. The Investment Manager mitigates this price risk through diversification and a careful

selection of securities and other financial instruments in accordance with the IMA of the Fund.

#### Interest Rate Risk:

The Fund is exposed to interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. Changes in interest rates in Australia or overseas may adversely affect the value of fixed interest investments held by the Fund, as an increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa.

The Investment Manager monitors the Fund's overall interest sensitivity on a regular basis.

#### Credit Risk:

The Fund is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when they fall due. This refers to the issuer of a debt instrument failing to pay interest or repay the principal sum. The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. No OTC derivatives are used by the Fund. Fixed interest assets of the Fund are exposed to credit risk.

The Investment Manager monitors the Fund's credit position on a regular basis. Whilst there is no credit exposure limit the Investment Manager ensures that a substantial portion of the listed interest rate securities held are rated investment grade or issued by corporations with an investment grade rating.

#### Liquidity Risk:

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. If Fund investments are difficult to buy or sell, this can prevent the sale of an investment or the rebalancing of the Fund in a timely fashion and at a fair price. If the Fund is required to liquidate assets to settle withdrawals, there is a risk that liquidation may be made on unfavourable terms, subjecting the Fund to loss.

The Investment Manager is required under the IMA to ensure that no one investment is to exceed 15% of the Fund's market value at the time of purchase.

#### Leverage Risk:

The Fund will not borrow to invest and will not be leveraged through the use of derivatives. Leverage occurs where the level of exposure to investments exceeds the amount of cash invested.

#### Strategy Risk

The strategies employed by the Fund may prove to be incorrect or ill-timed resulting in losses in the Fund. Specific factors that may cause this risk are (but not limited to) an abrupt change to investment conditions negatively impacting interest rates, inflation, economic growth, political stability and other factors that may reduce the Fund's capacity to earn income from its investments and capital growth.

Please refer to Section 5.2 for how risk management strategies are employed in our investment strategy.

#### Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or

events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations,

including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

## 7. Investing and Withdrawing

### IDPS investors

The Responsible Entity has authorised the use of this PDS as disclosure to investors or prospective clients of IDPS and IDPS-like schemes. These are sometimes known as 'wraps' or 'platforms'. They provide investors with a menu of investment opportunities.

Investors who invest through an IDPS may rely on the information in this PDS to give a direction to the operator of the IDPS to invest in the Fund on their behalf. The Responsible Entity agrees to provide notice to the operators of the IDPS promptly of any supplementary or replacement PDS that is issued under the Corporations Act.

Importantly, investors who invest in the Fund through an IDPS do not become unit holders of the Fund. In those instances the unit holder of the Fund is the operator of the IDPS. The unit holder's rights set out in this PDS may only be exercised by the operator of the IDPS on behalf of the investor for whom they have acquired the units.

Investors should read this PDS in conjunction with the offer documents issued by the IDPS Operator. Investors should complete the Application Form for their IDPS or IDPS-like scheme and receive reports concerning the Fund from their IDPS Operator. Enquiries should be directed to the IDPS Operator.

### Initial applications

To invest, please complete the Application Form accompanying this PDS and forward with your cheque. Alternatively, payment can be made by EFT directly to the Custodian's bank account. Direct investors should also forward relevant certified identification documentation as outlined in the Application Form to:

Kaplan Funds Management Registry Services  
GPO BOX 804  
Melbourne, VIC 3001

Please note that cash cannot be accepted. Investors investing through an IDPS should use the Application Form attached to their IDPS Guide (and not the Application Form attached to this PDS) to invest in the Fund.

At the date of this PDS, the minimum initial investment amount is \$5,000. If you are an Indirect Investor you should refer to the IDPS Guide or IDPS Operator for the minimum initial investment amount.

### Additional applications

For additional applications you can either mail your completed Application Form to the address stated above, or email it to the following address:

Email: [kaplan\\_transactions@onevue.com.au](mailto:kaplan_transactions@onevue.com.au)

The same terms apply as for initial applications.

### Terms and conditions for applications

Applications can be made at any time however for unit pricing purposes and income accrual purposes any application received after 3.00pm Melbourne time will generally be treated as having been received on the following Business Day.

Please note that we do not pay interest on Application money.

If you are an Indirect Investor, you need to contact your IDPS Operator regarding the cut-off times for pricing purposes.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you,

subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result delays in processing your application may occur.

### Cooling off period

If you are a Retail Client you may have a right to 'cool off' in relation to an investment in the Fund within 14 days of the earlier of:

- confirmation of the investment being received or available; and
- the end of the fifth Business Day after the units are issued or sold.

A Retail Client may exercise this right by notifying Equity Trustees in writing at the address as stated above. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant application price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14-day period; this could include selling part of your investment or switching it to another product.

Indirect investors should seek advice from their IDPS Operator as to whether cooling off rights apply. The right to cool off may not apply if you are an Indirect Investor, even if you are a Retail Client. The terms and conditions of the IDPS Guide or similar type document will govern your investment in relation to the Fund and any rights you may have in this regard.

### Making a withdrawal

Investors of the Fund can withdraw their investment by mailing or faxing a withdrawal request to:

Kaplan Funds Management Registry Services  
GPO BOX 804  
Melbourne, VIC 3001  
Email: [kaplan\\_transactions@onevue.com.au](mailto:kaplan_transactions@onevue.com.au)

### Access to funds

Except where the Fund is not liquid (see below) payment of withdrawals is usually processed within 5 Business Days by deposit to your nominated bank account provided your withdrawal request is received by 3.00 pm on any Business Day. However, the Constitution of the Fund allows the Responsible Entity to make payment up to 30 days after receipt of a withdrawal request. The Responsible Entity reserves the right to postpone the processing and payment of withdrawals for the Fund subject to the above extensions of time.

If you have invested indirectly in the Fund through an IDPS, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

Where a Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from that Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. A Fund will cease to be liquid if less than 80% of the assets of that Fund are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

### **Terms and conditions for withdrawals**

The Responsible Entity is not required to give effect to a withdrawal request if it is for less than the minimum withdrawal amount. Equity Trustees has the right to fully redeem an investor's investment in the Fund where their holding falls below the minimum balance amount. The minimum withdrawal amount is currently \$1,000. You should check the current PDS by visiting [www.kaplanfunds.com.au](http://www.kaplanfunds.com.au) at time of withdrawal to see if the terms or conditions of withdrawal have changed.

Equity Trustees will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawal payments will not be made to third parties (including authorised nominees), and will only be paid directly to the investor's bank account held in the name of the investor at a branch of an Australian domiciled bank. By lodging a facsimile withdrawal request the investor releases, discharges and agrees to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request.

The investor also agrees that any payment made in accordance with a facsimile withdrawal request shall be a complete satisfaction of the obligations of Equity Trustees, notwithstanding any fact or circumstance including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with a facsimile withdrawal request, the investor and any person claiming through or under them shall have no claim against Equity Trustees in relation to the payment.

### **Distributions**

Income is distributed quarterly to investors within 30 days after the end of March, June, September and December. In special circumstances, such as where there is a large withdrawal during a distribution period, we may change distribution periods by notice to investors.

Depending on your selection, your distributions will be paid directly to your nominated account or reinvested. The unit price for reinvestment will be the price applying on the last Business Day of the distribution period, adjusted for distributions. There are no transaction costs for income reinvestment.

If you do not make a selection or distributions cannot be paid into your account, distributions will be reinvested (less any bank charges), until you advise us otherwise.

The income of the Fund is paid to investors in proportion to the number of units held by the investor on the last day of a distribution period. As distributions are part of the unit price, the unit price normally falls following a distribution. Investors who acquire units just before a distribution may receive some of their investment back immediately as income or investors who dispose of units just before a distribution may effectively turn income into capital.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

### **Valuation of the Fund**

The value of the investments of the Fund is generally determined daily. Generally, investments will be valued at the next available market value but other valuation methods and policies may be applied by Equity Trustees if appropriate.

The value of a unit in the Fund is determined on the basis of the value of the investments in the Fund (after taking into account any liabilities of the Fund), in accordance with the Constitution of the Fund. The application price of a unit in the Fund is based on the NAV of the Fund divided by the number of units on issue plus an allowance for transaction costs required for buying investments. This allowance is known as the buy spread. At the date of this PDS, the Buy Spread is 0.25%.

### **Joint account operation**

For joint accounts, each signatory agrees that their investment is as joint tenants. Each signatory is able to operate the account and bind the other to any transaction including investments, switches or withdrawals by any available means.

### **Appointment of personal representative to operate account**

Investors may elect to appoint a personal representative to operate their account. The relevant sections on the Application Form need to be completed, including the name and signature of the personal representative, the signature of the investor and the date. Only investors can appoint personal representatives. If you appoint a personal representative we suggest that you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Responsible Entity.

If the Responsible Entity determines that the circumstances require, the Responsible Entity may cancel an appointment by giving the investor 14 days notice in writing. If an appointment is cancelled, the Responsible Entity will not be obliged to act on the instructions of the personal representative. If the instructions are varied, the Responsible Entity will act only in accordance with the varied instructions. By completing and lodging the relevant sections on personal representatives on the Application Form you release, discharge and agree to indemnify the Responsible Entity from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Responsible Entity acting on the instructions of your personal representative.

You also agree that any instructions of your personal representative to the Responsible Entity, which are followed by the Responsible Entity, shall be a complete satisfaction of the obligations of the Responsible Entity, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if the personal representative's instructions are followed by the Responsible Entity, you and any person claiming through or under you shall have no claim against the Responsible Entity in relation to the instructions.

A personal representative can, among other things:

- apply for additional investment units;
- request that distribution instructions be altered;
- change bank account details,
- withdraw all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

## **Electronic instructions**

If an investor instructs Equity Trustees by electronic means, such as facsimile, or internet the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the

investor e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees or the Fund in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

## 8. Keeping Track of Your Investment

### Enquiries

For any enquiries regarding your investment or the management of the Fund please contact KFM:

Telephone 02 8917 0380

Fax 02 8917 0355

web [www.kfmincomefund.com.au](http://www.kfmincomefund.com.au)

### Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

Email: [compliance@eqt.com.au](mailto:compliance@eqt.com.au)

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:

Online: [www.afca.org.au](http://www.afca.org.au)

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

### Reports

We will make the following statements available to all investors;

- A transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request).
- The Fund's annual audited accounts for each period ended 30 June.
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June.
- Annual report detailing each of the following:
  - the actual allocation to each asset type;
  - the liquidity profile of the portfolio assets as at the end of the period;
  - the maturity profile of the liabilities as at the end of the period;
  - the derivative counterparties engaged (including capital protection providers); and
  - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;

- the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest annual report will be available online from [www.kfmincomefund.com.au](http://www.kfmincomefund.com.au)

The following information is available on KFM's website and/or is disclosed monthly:

- the current total NAV of the Fund and the withdrawal value of a unit in each class of units as at the date the NAV was calculated;
- the monthly or annual investment returns over at least a five-year period (or, if the Fund has not been operating for five years, the returns since its inception);
- any change to key service providers if they have changed since last report given to investors;
- for each of the following matters since the last report on those matters:
  - the net return on the Fund's assets after fees, costs and taxes;
  - any material change in the Fund's risk profile;
  - any material change in the Fund's strategy; and
  - any change in the individuals playing a key role in investment decisions for the Fund.

By applying to invest in the Fund, you agree that, to the extent permitted by law, any periodic information which is required to be given to you under the Corporations Act or ASIC policy can be given to you by making that information available on Equity Trustees' or the Investment Manager's website.

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. However, Equity Trustees will be providing the reports described above to relevant IDPS Operators. Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained through ASIC's website at [www.asic.gov.au](http://www.asic.gov.au).

## 9. Fees and Other Costs

### 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 investment 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 fees. Ask the fund 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) Moneysmart website** ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme 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.

### Fees and Costs Summary

KFM Income Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
Management fees and costs The fees and costs for managing your investment	0.79% of the NAV of the Fund	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
Performance fees Amounts deducted from your investment in relation to the performance of the product	0.78% of the NAV of the Fund	Performance fees are calculated daily and paid quarterly in arrears from the Fund and reflected in the unit price.
Transaction costs The costs incurred by the scheme when buying or selling assets	0.00% of the NAV of the Fund	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable

<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.25% upon entry and 0.25% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Not applicable	Not applicable
<b>Exit fee</b> The fee to close your investment	Not applicable	Not applicable
<b>Switching fee</b> The fee for changing investment options	Not applicable	Not applicable

<sup>1</sup> All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how the relevant fees and costs are calculated.

## Additional Explanation of Fees and Costs

### Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 0.79% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees (other than the performance fee), custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy (if any). The indirect costs and other expenses component are variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or the Investment Manager.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto) where they are not otherwise required to be disclosed to investors under law.

### Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance fees for the Fund are 0.78% of the NAV of the Fund. The performance fee figure that is disclosed in the Fees and Costs Summary is generally based on an average of the performance fees over the previous five financial years, where each performance fee relevant to the Fund is averaged and totalled to give the performance fees for the Fund.

In terms of the performance fees payable to the Investment Manager, a performance fee is payable where the investment performance of the Fund exceeds the performance of the 1-year BBSW plus 4% p.a. The performance fees are 10.25% of this excess, calculated daily and paid quarterly 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 (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a high-watermark).

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Information on current performance fees will be updated from time to time and available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

### Performance fee example

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this example in determining whether to invest in the Fund.

The examples show the additional fees which would be payable by an investor based on different percentages of out-performance achieved by the Fund over the course of a year. However, please note that these are examples only, and are not a forecast or statement of the actual performance of the Fund. The performance of the Fund, the timing of the performance, and hence the performance fee accrued (if any), could vary.

Out-performance of the Fund p.a.*	Amount of fees p.a. charged in addition to the Management fees and costs on an investment of \$50,000
0%	\$0

Out-performance of the Fund p.a.*	Amount of fees p.a. charged in addition to the Management fees and costs on an investment of \$50,000
1%	\$51.25
3%	\$153.75

\*The out-performance is the minimum return necessary for the Fund for a performance fee to apply and means that the Fund has achieved performance in excess of its hurdle. The hurdle for the Fund is the 1-year BBSW plus 4% p.a.

### Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.25% upon entry and 0.25% upon exit. The dollar value of these costs based on an application or a withdrawal of \$5,000 is \$12.50 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.kaplanfunds.com.au](http://www.kaplanfunds.com.au) will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction

costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.10% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2020.

However, actual transaction costs for future years may differ.

### Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 1.10% of the NAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

### Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

### Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on 02 8917 0380 for further information.

### Taxation

Please refer to Section 10 of the Product Disclosure Statement for further information on taxation.

### Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – KFM Income Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	0.79% p.a.	And, for every \$50,000 you have in the KFM Income Fund you will be charged or have deducted from your investment \$395 each year
Plus Performance fees	0.78% p.a.	And, you will be charged or have deducted from your investment \$390 in performance fees each year
Plus Transaction costs	0.00% p.a.	And, you will be charged or have deducted from your investment \$0 in transaction costs

## EXAMPLE – KFM Income Fund

**Equals**  
Cost of KFM  
Income Fund

If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:  
\$785\*  
**What it costs you will depend on the investment option you choose and the fees you negotiate.**

\* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

**Warning:** If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for the Fund, over the previous five financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

## 10. Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be trading in investments for tax purposes. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. The following information does not consider the Australian tax issues in relation to the Underlying Fund.

### Taxation Treatment of the Fund

#### General

The Fund is a resident trust estate for Australian tax purposes. On the basis that the Fund has distributable income and investors are presently entitled to all of the Fund's distributable income, (which is the Responsible Entity's intention) and the Fund is not a public trading trust, the Fund should be taxed as a flow-through trust. This means that investors should be taxed on their share of the Fund's net taxable income, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to meeting certain trust loss recoupment tests.

#### Deemed Capital Gains Tax ("CGT") election

Eligible MITs may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments, including units in unit trusts. The Fund has made the MIT capital election. The MIT capital election should apply to the Fund's main investments being its investment in the Underlying Fund. As a result, an investor's share of the net income of the Fund may include an amount that consists of net capital gains, which includes discount capital gains and CGT concession amounts, derived by the Fund.

#### Taxation of Financial Arrangements ("TOFA")

Broadly, under TOFA, the gains or losses (including income and/or deductions) on financial arrangements are brought to account under a compounding accruals and realisation basis. Any gain or losses in relation to a financial arrangement, such as certain debt securities, where TOFA applies would generally be treated on revenue account (and would not be covered by the MIT capital election). This could also include options over shares in certain circumstances. The TOFA provisions may apply to the Fund in the future. The Investment Manager and Tax Adviser of the Fund will assist the Responsible Entity with ongoing monitoring and compliance with the TOFA rules.

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

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

### Taxation of Australian Resident Investors

#### Distributions

Each Australian resident investor will be subject to taxation on their proportionate share of the net taxable income derived by the Fund.

Investors who become entitled to a distribution from the Fund in respect of a financial year will receive an annual tax statement detailing all relevant taxation information concerning distributions.

The tax consequences for investors of receiving distributions from the Fund depend on the components of the distributable income to which investors have become entitled.

#### Imputation Credits and Franked Dividends

As the Fund's investments are expected to include Australian equities, income distributions from the Fund may include an entitlement to franked dividends. Generally, investors should include the franked dividends and the franking credits (imputation credits) they receive in their assessable income. Certain additional requirements, including the 45-day holding period rule may need to be satisfied in order to obtain franking credits in relation to dividends. The investor's particular circumstances (and that of the Fund) will be relevant to determine whether the investor is entitled to any franking credits, in respect of the investor's share of the franked dividends.

Any excess imputation credits may be refundable to some investors, such as individuals and complying superannuation funds.

#### Non-assessable distributions

Under current practice, distributions of non-assessable amounts are generally not subject to tax in the hands of passive investors. Broadly, the receipt of certain non-assessable amounts will generally reduce the cost base of the Australian resident investor's units in the Fund for CGT purposes. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund.

#### Capital Gains

An investor's share of the net taxable income of the Fund may include an amount that consists of net capital gains, derived by the Fund. Where the Fund's net taxable income includes capital gains (including any discount capital gains), the investor needs to 'gross up' any discount capital gain (by the amount of any reduction in the discount capital gain that the Fund obtained). Regardless of whether the 'discount concession' amount is distributed by the Fund, individual, trust, and complying superannuation fund investors may be entitled to the discount capital gain concessions in determining their net capital gain. Investors may also be able to offset certain other capital losses they may have against their share of the capital gains included in the net taxable income distributed by the Fund (after grossing up any discount capital gains).

#### Disposal of units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this will generally constitute a disposal for tax purposes. Where an investor holds their units in the Fund on capital account, a capital gain or loss on the disposal may arise and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for more than 12 months. No CGT discount is available to companies.

## Australian Taxation of Non-Resident Investors

### Non-resident investors

The following comments are general in nature and non-resident investors should seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement ("EOI") between Australia and their country of residence.

### Tax on Income

The Fund is required to withhold Australian tax from distributions to non-resident investors for certain types of Australian sourced net taxable income, including any unfranked dividends, Australian sourced interest income or other Australian sourced income (e.g. certain options or derivative gains). The rate of tax deducted will depend on the type of income distributed and the country of residence of the investor.

For investors that are tax resident and provide an address or place for payment in countries that hold a tax EOI with Australia, a concessional withholding tax rate of 15% applies to 'fund payments', which are distributions of other Australian source income. The fund payment withholding tax rate is 30% for fund payments to non-resident investors who are tax resident or provide an address or place for payment in countries that do not hold an EOI with Australia.

### Capital gains

Based on the Fund's investment profile, generally non-resident investors should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account.

The CGT discount is not available for non-resident investors. It is strongly recommended that non-resident investors seek their own tax advice.

### Attribution Managed Investment Trusts ("AMIT")

The Constitution provides, where separate classes of units are on issue in respect of the Fund, for income allocation to take into account any impact of the currency overlay that may be in place for the respective classes. The quantum of the distribution is sought to be determined on a standalone basis. Prior to the AMIT multi-class election being made (as described below), the Fund is treated as a single taxpayer. As any separate classes of units would not currently be treated as separate taxpayers, it is

possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class. The Constitution provides a mechanism to seek to minimise this outcome. Insofar as possible, where separate classes of units are on issue, the Constitution seeks to quarantine the income associated with a particular class to that class.

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITS. Trusts that meet the eligibility criteria to be an AMIT may elect into the AMIT rules. Equity Trustees is intending that an election into AMIT be made in respect of the Fund and thereafter the following will apply:

**Fair and reasonable attribution:** Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a "fair and reasonable" attribution basis, rather than being allocated proportionally based on each investor's present entitlement to the income of the Fund.

**Unders or overs adjustments:** Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

**Cost base adjustments:** Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustment will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement (AMMA).

**Large redemptions:** In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming investor.

**Multi-class AMITs:** A choice is available to elect to treat separate classes of units as separate AMITs. Equity Trustees is intending that the AMIT multi-class election be made in respect of the Fund.

**Penalties:** In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors.

# 11. Other Important Information

## Consents

KFM has given and, at the date of this PDS, has not withdrawn, its written consent to be named in this PDS as the Investment Manager of the Fund, and to the inclusion of the statements made about it and the Fund which are attributed to it.

KFM has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. KFM and its employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

NAB has given and, as of the date of this PDS, has not withdrawn, its written consent to be named in this PDS as the Custodian and Administrator of the Fund, and to the inclusion of the statements made about it or the Fund which are attributed to it, in the form and context in which they appear.

NAB has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. NAB and its affiliates, employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

## Non-listing of units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

## Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Circumstances when the Fund may be wound up under the Constitution include: a member's resolution for the Fund to be wound up; and where redemptions of units in the Fund have been suspended for 120 consecutive days, the Investment Manager resolving that it is in the best interest of the investors of the Fund that the Fund be wound up. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the aggregate of the withdrawal price for each of the units they hold in the Fund.

## Our legal relationship with you

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors.

Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investor's rights. Otherwise the Constitution may be amended by way of a special resolution of investors.

To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by investors, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a

special resolution of investors, or without that approval if the Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights.

A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

## Compliance Plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The Compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

## Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

## Indemnity

Equity Trustees, as the Responsible Entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Equity Trustees may retain and pay out any monies in its hands all sums necessary to affect such an indemnity.

## Privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other

members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to "opt out" of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees' Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees' Privacy Policy is available at [www.eqt.com.au](http://www.eqt.com.au). You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to [privacy@eqt.com.au](mailto:privacy@eqt.com.au).

## Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about Investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing Investors until such time as the information is provided.

Under the AML/CTF laws, Equity Trustees is required to submit ongoing regulatory reports to, and share collected information with, AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred. AUSTRAC may require Equity Trustees to deny you access to your investment (temporarily or permanently). This could result in loss of the capital invested or you may experience significant delays when you wish to transact on your investment. In order to comply with AML/CTF Laws, the Responsible Entity may also disclose information that it holds about the applicant,

an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia).

The Responsible Entity shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

## Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

## Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

## Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

### Related party transactions and conflicts of interests

The Fund may invest in other funds of which it or the Responsible Entity or the Investment Manager is a trustee, Responsible Entity or manager (related funds).

The Responsible Entity or the Investment Manager may appoint any of their related entities to provide services or perform functions in relation to the Fund, enter into financial or other transactions with related entities in relation to the assets of the Fund and may sell assets or purchase assets from a related

entity. A related entity is entitled to earn fees, commissions or other benefits in relation to any such appointment or transaction and to retain them for its own account. Such arrangements will be on arm's length commercial terms.

## 12. Glossary of Important Terms

### Application Form

The Application Form used by investors who wish to subscribe for units directly in the Fund (other than indirectly through an IDPS Operator) and attached to this PDS.

### ASFA

Association of Superannuation Funds of Australia.

### ASIC

Australian Securities and Investments Commission.

### Asset Class

A category of financial assets. The major asset classes are shares, property, fixed interest securities and cash.

### Business Day

A day other than a Saturday or Sunday on which banks are open for general banking business in Melbourne.

### Buy/Sell spread

The difference between the application price and withdrawal price of units in the Fund, which reflects the estimated transaction costs associated with buying and selling the assets of the Fund, when investors invest in or withdraw from the Fund.

### Buy & Write

The Buy & Write strategy involves buying shares and selling Call Options over those shares. This strategy gives away some of the upside potential from a shareholding but generates option premium income. The Buy & Write strategy is often used to reduce risk and volatility of holding a share by increasing downside protection equivalent to the premium income received.

### Call Option

A Call Option is a contract giving the buyer the right, but not the obligation, to buy a specified amount of an underlying security at a specified price within a specified time. The buyer pays the seller of the call option a premium upfront for the option contract.

A Call Option is a derivative.

### Covered Call Option

Refers to selling call options over the equivalent amount of underlying securities.

### Delta

Delta is the amount an option price is expected to move based on a change in the underlying stock. Call Options have a Delta between 0 and 1. When a Call Option is sold the Delta of that Call Option is negative, which effectively reduces the exposure to the underlying stock.

### Constitution

The Constitution of the Fund. The Constitution describes the rights, responsibilities and beneficial interests of both investors and the Responsible Entity in relation to the Fund.

### Corporations Act

The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

### Derivative

A financial contract that derives its value from an underlying security, liability or index. Derivatives come in many varieties, including forwards, futures, options and swaps.

### FSC

Financial Services Council.

### GST

Goods and services tax.

### ICR

Indirect Cost Ratio. The ratio of a Fund's management costs (being costs that are not deducted directly from an investor's account, calculated in accordance with the Corporations Act) to a Fund's total average net assets.

### IDPS

Investor directed portfolio service. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, with the IDPS Operator providing the investor with consolidated and streamlined transaction statements and other reporting.

### IDPS Operator

An entity that operates and offers an IDPS.

### IMA

Investment Management Agreement

### Indirect Investor

A person who invests indirectly in units in a Fund through an IDPS.

### MITs

Managed Investment Trusts

### Net Asset Value ('NAV')

The value of assets of a Fund, less the value of the liabilities of a Fund.

### OTC Derivative

Over the counter traded derivatives.

### Retail Client

Persons or entities defined as retail clients under section 761G of the Corporations Act.

### RTIC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits on behalf of the Funds, where applicable, to reduce the GST cost to the Funds.

### US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- a. any citizen of, or natural person resident in, the US, its territories or possessions; or
- b. any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- c. any agency or branch of a foreign entity located in the US; or
- d. a pension plan primarily for US employees of a US Person; or
- e. a US collective investment vehicle unless not offered to US Persons; or
- f. any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

g. any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

h. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

i. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

#### **Wholesale Client**

Persons or entities not defined as retail clients under section 761G of the Corporations Act.



**KaplanFunds**  
MANAGEMENT

## KFM INCOME FUND APPLICATION FORM

This application form accompanies the Product Disclosure Statement (PDS)/Information Memorandum (IM) relating to units in the following product/s issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975). The PDS/IM contains information about investing in the Fund/Trust. You should read the PDS/IM in its entirety before applying.

- KFM Income Fund

The law prohibits any person passing this Application Form on to another person unless it is accompanied by a complete PDS/IM.

- If completing by hand, use a black or blue pen and print within the boxes in BLOCK LETTERS, if you make a mistake, cross it out and initial. DO NOT use correction fluid
- The investor(s) must complete and sign this form
- Keep a photocopy of your completed Application Form for your records

U.S. Persons: This offer is not open to any U.S. Person. Please refer to the PDS/IM for further information.

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)**

We are required to collect certain information to comply with FATCA and CRS, please ensure you complete section 7.

#### **If investing with an authorised representative, agent or financial adviser**

Please ensure you, your authorised representative, agent and/or financial adviser also complete Section 6.

#### **Provide certified copies of your identification documents**

Please refer to section 9 on AML/CTF Identity Verification Requirements.

#### **Send your documents & make your payment**

See section 2 for payment options and where to send your application form.

## SECTION 1 – YOUR CONSUMER ATTRIBUTES

**In relation to our Design and Distribution Obligations (DDO) under the Corporations Act, we seek the following information about your attributes as an investor (please tick only 1 box for each question below)**

Further information in relation to these questions can be found in the Target Market Determination (TMD) for the Fund. If you wish to access the TMD, please visit <https://www.eqt.com.au/insto/>

**1. Have you received advice prior to applying to invest in the Fund?**

- I/We have received personal advice in relation to my investment in this Fund
- I/We have received general advice in relation to my investment in this Fund
- I/We have not received any advice in relation to my investment in this Fund

**2. What is your primary investment objective(s)?**

- |   |   |
|---|---|
| <input type="checkbox"/> Capital growth     | <input type="checkbox"/> Capital preservation |
| <input type="checkbox"/> Capital guaranteed | <input type="checkbox"/> Income Distribution  |

**3. Please select the intended use of this Fund in your investment portfolio**

- Solution/Standalone – A large allocation (75%-100% of portfolio)
- Core component – A medium allocation (25%-75% of portfolio)
- Satellite/Small Allocation – A small allocation (<25% of portfolio)

**4. Please select the Intended investment timeframe**

- |   |   |
|---|---|
| <input type="checkbox"/> Short term (<=2 years) | <input type="checkbox"/> Medium term (>2 years) |
| <input type="checkbox"/> Long term (>8 years)   |   |

**5. What is your tolerance for risk?**

- |   |  |
|---|--|
| <input type="checkbox"/> Low - I/we can tolerate up to 1 period of underperformance over 20 years   | <input type="checkbox"/> Medium - I/we can tolerate up to 4 periods of underperformance over 20 years.       |
| <input type="checkbox"/> High - I/we can tolerate up to 6 periods of underperformance over 20 years | <input type="checkbox"/> Very High - I/we can tolerate more than 6 periods of underperformance over 20 years |

**6. What do you anticipate your withdrawal needs may be?**

- |   |                                    |
|---|------------------------------------|
| <input type="checkbox"/> Daily              | <input type="checkbox"/> Weekly    |
| <input type="checkbox"/> Monthly            | <input type="checkbox"/> Quarterly |
| <input type="checkbox"/> Annually or longer |                                    |

**Please note:**

1. Failure to complete the above questions may result in your application not being accepted;
2. Acceptance of your application should not be taken as a representation or confirmation that an investment in the Fund is, or is likely to be, consistent with your intentions, objectives and needs as indicated in your responses to these questions; and
3. For further information on the suitability of this product, please refer to your financial adviser and/or the TMD

## **SECTION 1.2 – ARE YOU AN EXISTING INVESTOR IN THE FUND/TRUST AND WISH TO ADD TO YOUR INVESTMENT?**

**Do you have an existing investment in the Fund/Trust and the information provided remains current and correct?**

**Yes**, if you can tick both of the boxes below, complete Sections 2 and 8

- I/We confirm there are no changes to our identification documents previously provided and that these remain current and valid.
- I/We confirm there have been no changes to our FATCA or CRS status

Existing investor number:

If there have been changes in your identification documents or FATCA/CRS status since your last application, please complete the full Application Form as indicated below.

**No**, please complete sections relevant to you as indicated below:

**Investor Type:**

- Individuals/Joint:** complete section 2, 3, 6 (if applicable), 7, 8 & 9
- Companies:** complete section 2, 4, 6 (if applicable), 7, 8 & 9
- Custodians on behalf of underlying clients:** complete section 2, 4, 5, 5.1, 6 (if applicable), 7, 8 & 9
- Trusts/superannuation funds:**
  - with an individual trustee – complete sections 2, 3, 5, 6 (if applicable), 7, 8 & 9
  - with a company as a trustee – complete sections 2, 4, 5, 6 (if applicable), 7, 8 & 9

If you are an Association, Co-operative, Partnership, Government Body or other type of entity not listed above, please contact Equity Trustees.

## SECTION 2 – INVESTMENT DETAILS

Investment to be held in the name(s) of (must include name(s) of investor(s))

Postal address

Suburb

State

Postcode

Country





Email address

Contact no.



FUND/TRUST NAME	APIR CODE	APPLICATION AMOUNT (AUD)
KFM Income Fund	VEN0007AU	\$

The minimum initial investment is \$5,000 or \$1,000 where you will be contributing to the regular investment plan.

### Distribution Instructions

If you do not select a distribution option, we will automatically reinvest your distribution. If you select cash, please ensure you provide your bank details below.

- Reinvest distributions** if you select this option your distribution will be reinvested in the Fund/Trust
- Pay distributions to the bank** if you select this option your distribution will be paid to the bank account below

### Investor bank details

For withdrawals and distributions (if applicable), these must match the investor(s)' name and must be an AUD-denominated bank account with an Australian domiciled bank.

Financial institution name and branch location

BSB number

Account number



Account name

### Payment method

- Cheque – payable to <KFM Income Fund>
- Direct credit – pay to:

Financial institution name and branch location	National Australia Bank Limited, NAB Asset Services 500 Bourke Street, Melbourne VIC 3000
BSB number	083 054
Account number	91 614 2244
Account name	Equity Trustees limited ATF KFM Income Fund
Reference	<Investor Name>

### **Source of investment**

Please indicate the source of the investment amount (e.g. retirement savings, employment income):

### **Send your completed Application Form to:**

Kaplan Funds Management Registry Services  
GPO Box 804  
Melbourne VIC 3001  
Email: [kaplan\\_transactions@onevue.com.au](mailto:kaplan_transactions@onevue.com.au)

**Please ensure you have completed all relevant sections and signed the Application Form**

## SECTION 3 – INVESTOR DETAILS – INDIVIDUALS/Joint

Please complete if you are investing individually, jointly or you are an individual or joint trustee.

### See Group A AML/CTF Identity Verification Requirements in Section 9

#### Investor 1

Title	First name(s)	Surname
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Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
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#### Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.

Date of birth (DD/MM/YYYY)	Tax File Number* – or exemption code
----------------------------	--------------------------------------

/	/	/	/	/	/	/	/
---	---	---	---	---	---	---	---

Country of birth

Occupation

--	--

Does the investor named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

No

Yes, please give details:

--

#### Investor 2

Title	First name(s)	Surname
-------	---------------	---------

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
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#### Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.

--	--

Date of birth (DD/MM/YYYY)

Tax File Number\* – or exemption code

/	/	/	/	/	/	/	/
---	---	---	---	---	---	---	---

Country of birth

Occupation

--	--

If there are more than 2 registered owners, please provide details as an attachment.

Does the investor named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

No

Yes, please give details:

--

## SECTION 4 – INVESTOR DETAILS – COMPANIES/CORPORATE TRUSTEE

Please complete if you are investing for a company or where the company is acting as trustee.

### See Group B AML/CTF Identity Verification Requirements in Section 9

Full company name (as registered with ASIC or relevant foreign registered body)

Registered office address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Australian Company Number

Tax File Number\* – or exemption code

Australian Business Number\* (if registered in Australia) or equivalent foreign company identifier

### Contact Person

Title

First name(s)

Surname




Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.



**Principal place of business:** If the principal place of business is the same as the registered office street address, state 'As above' below. Otherwise provide address details. For foreign companies registered with ASIC please provide a local agent name and address if you do not have a principal place of business in Australia.

### Principal Place of Business Address (not a PO Box/RMB/Locked Bag)

Suburb

State

Postcode

Country





### Registration details

Name of regulatory body

Identification number (e.g. ARBN)

### Controlling Persons, Directors and Beneficial Owners

All beneficial owners who own, hold or control either directly or indirectly 25% or more of the issued capital of a proprietary or private company that is not regulated i.e. does not have an AFSL or ACLN etc., will need to provide Group A AML/CTF Identity Verification Requirements specified in Section 9. In the case of an unregulated public company not listed on a securities exchange, provide the details of the senior managing official(s) as controlling person(s) (e.g. managing director, senior executive(s) etc. who is/are authorised to sign on the company's behalf, and make policy, operational and financial decisions) in the following sections. All proprietary and private companies, whether regulated or unregulated, must provide the names of all of the directors.

**Names of the Directors of a Proprietary or Private Company whether regulated or unregulated**

1	2
3	4

If there are more than 4 directors, please write the other names below.

**Names of the Beneficial Owners or Senior Managing Official(s)**

**Select:**

- Beneficial owner 1 of an unregulated proprietary or private company; OR
- Senior Managing Official of an unregulated, unlisted, public (e.g. Limited) company

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)

<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>
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Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- No
- Yes, please give details:

**Select:**

- Beneficial owner 2 of an unregulated proprietary or private company; OR
- Senior Managing Official of an unregulated, unlisted, public (e.g. Limited) company

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)

<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>
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Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- No
- Yes, please give details:

**If there are more than 2 beneficial owners or managing officials, please copy and complete this page for the other persons or alternatively, provide the additional details as an attachment.**

## SECTION 5 – INVESTOR DETAILS – TRUSTS/SUPERANNUATION FUNDS

Please complete if you are investing for a trust or superannuation fund.

### See Group C AML/CTF Identity Verification Requirements in section 9

Full name of trust or superannuation fund

Full name of business (if any)

Country where established

Australian Business Number\* (if obtained)

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Tax File Number\* – or exemption code

--	--	--	--	--	--	--	--	--	--

Trustee details – How many trustees are there?

- Individual trustee(s)** – complete Section 3 – Investor details – Individuals/Joint
- Company trustee(s)** – complete Section 4 – Investor details – Companies/Corporate Trustee
- Combination** – trustee(s) to complete each relevant section

### Type of Trust

- Registered Managed Investment Scheme**

Australian Registered Scheme Number (ARSN)

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- Regulated Trust** (including self-managed superannuation funds and registered charities that are trusts)

Name of Regulator (e.g. ASIC, APRA, ATO, ACNC)

Registration/Licence details or ABN

- Other Trust** (unregulated)

Please describe

### Beneficiaries of an unregulated trust

Please provide details below of any beneficiaries who directly or indirectly are entitled to an interest of 25% or more of the trust.

1	2
3	4

If there are no beneficiaries of the trust, describe the class of beneficiary (e.g. the name of the family group, class of unit holders, the charitable purpose or charity name):

**Other Trust (unregulated) Continued****Settlor details**

Please provide the full name and last known address of the settlor of the trust where the initial asset contribution to the trust was greater than \$10,000.

- This information is not required if the initial asset contribution was less than \$10,000, and/or
- This information is not required if the settlor is deceased

Settlor's full name and last known address


Beneficial owners of an unregulated trust

Please provide details below of any beneficial owner of the trust. A beneficial owner is any individual who directly or indirectly has a 25% or greater interest in the trust or is a person who exerts control over the trust. This includes the appointer of the trust who holds the power to appoint or remove the trustees of the trust.

**All beneficial owners will need to provide Group A AML/CTF Identity Verification Requirements in Section 9****Beneficial owner 1 or Controlling Person 1**

Select:

- Beneficial owner 1; OR
- Controlling Person – What is the role e.g. Appointer:

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

--	--	--	--

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)  /  /

Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- No
- Yes, please give details:

**Beneficial owner 2 or Controlling Person 2**

Select:

- Beneficial owner 2; OR
- Controlling Person – What is the role e.g. Appointer:

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

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Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)  /  /

**If there are more than 2 beneficial owners, please provide details as an attachment.**

Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

No       Yes, please give details:

**If there are more than 2 beneficial owners or controlling persons, please copy and complete this page for the other persons or alternatively, provide the additional details as an attachment.****SECTION 5.1 – CUSTODIAN ATTESTATION: CHAPTER 4, PARTS 4.4.18 AND 4.4.19 OF THE AML/CTF RULES**

If you are a Company completing this Application Form on behalf of an individual, another company, a trust or other entity, in a Custodial capacity, please complete this section.

In accordance with Chapter 4, part 4.4.19 (1)(a) to (d) of the AML/CTF Rules, does the Custodian meet the definition (see 'Section 10 – Glossary') of a Custodian?

No       Yes

In accordance with Chapter 4, part 4.4.19 (e) of the AML/CTF Rules, do you, in your capacity as Custodian attest that prior to requesting this designated service from Equity Trustees, it has carried out and will continue to carry out, all applicable customer identification procedures on the underlying account holder named or to be named in the Fund's register, including conducting ongoing customer due diligence requirements in accordance with Chapter 15 of the AML/CTF Rules?

No       Yes

If you answered YES to all of the above questions, then Equity Trustees is able to apply the Chapter 4, part 4.4 Custodian rules to this account and will rely upon the customer due diligence conducted by the Custodian on the underlying account holder named or to be named in the Fund's register.

If requested to do so at any time after the provision of this designated service, the Custodian agrees to honour any reasonable request made by Equity Trustees for information or evidence about the underlying account holder in order to allow Equity Trustees to meet its obligations under the AML/CTF Act.

No       Yes

Excepting the below circumstances where the custodian answered NO or did not complete any of the above questions, no other information about the underlying account holder is required to be collected. However, further information about you as the Custodian and as a company is required to be collected and verified as required by the AML/CTF rules. Please complete the rest of this form for the Custodian.

**Excepting circumstances:**

If you answered NO or did not complete any of the above questions, then we are unable to apply the Chapter 4, part 4.4 Custodian rules to this application. We are therefore obligated to conduct full Know Your Client procedures on the underlying account holder named or to be named in the Fund's register including any named nominee, as well as the trustees, beneficial owners and controlling persons of the underlying named account in addition to the Custodian. Therefore, please complete the relevant forms and provide identity documents for all parties connected to this account.

## SECTION 6 – AUTHORISED REPRESENTATIVE, AGENT AND/OR FINANCIAL ADVISER

Please complete if you are appointing an authorised representative, agent and/or financial adviser.

### See Group D AML/CTF Identity Verification Requirements in Section 9

- I am an **authorised representative or agent** as nominated by the investor(s)

You must attach a valid authority such as Power of Attorney, guardianship order, grant of probate, appointment of bankruptcy etc. that is a certified copy. The document must be current and complete, signed by the investor or a court official and permits the authorised representative or agent to transact on behalf of the investor.

Full name of authorised representative or agent

Role held with investor(s)

Signature

Date

<input type="text"/>	<input type="text"/>
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- I am a **financial adviser** as nominated by the investor

Name of adviser

AFSL number

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Dealer group

Name of advisory firm

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Postage address

Suburb

State

Postcode

Country

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Email address

Contact no.

<input type="text"/>	<input type="text"/>
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### Financial Advice (only complete if applicable)

- The investor has received personal financial product advice in relation to this investment from a licensed financial adviser and that advice is current.

### Financial Adviser Declaration

- I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
- I/We hereby declare that the investor is not a US Person as defined in the PDS/IM.
- I/We have completed an appropriate Customer Identification Procedure (CIP) on this investor which meets the requirements (per type of investor) set out above,
- I/We have attached the relevant CIP documents;

Signature

Date

<input type="text"/>	<input type="text"/>
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## Access to information

Unless you elect otherwise, your authorised representative, agent and/or financial adviser will also be provided access to your investment information and/or receive copies of statements and transaction confirmations. By appointing an authorised representative, agent and/or financial adviser you acknowledge that you have read and agreed to the terms and conditions in the PDS/IM relating to such appointment.

- Please tick this box if you DO NOT want your authorised representative, agent and/or financial adviser to have access to information about your investment.
- Please tick this box if you DO NOT want copies of statements and transaction confirmations sent to your authorised representative, agent and/or financial adviser.
- Please tick this box if you want statements and transaction confirmations sent ONLY to your authorised representative, agent and/or financial adviser.

## **SECTION 7 – FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA), COMMON REPORTING STANDARD (CRS) SELF-CERTIFICATION FORM – ALL INVESTORS MUST COMPLETE**

### **Sub-Section I – Individuals**

**Please fill this Sub-Section I only if you are an individual. If you are an entity, please fill Sub-Section II.**

**1. Are you a US tax resident (e.g. US citizen or US resident)?**

Yes: provide your US Taxpayer Identification Number (TIN) and continue to question 2

Investor 1

Investor 1	
Investor 2	

No: continue to question 2

**2. Are you a tax resident of any other country outside of Australia?**

Yes: state each country and provide your TIN or equivalent (or Reason Code if no TIN is provided) for each jurisdiction below and skip to question 12

**Investor 1**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

**Investor 2**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If more space is needed please provide details as an attachment.*

No: skip to question 12

**Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	

## Sub-Section II – Entities

Please fill this Sub-Section II only if you are an entity. If you are an individual, please fill Sub-Section I.

### 3. Are you an Australian complying superannuation fund?

- Yes: skip to question 12
- No: continue to question 4

## FATCA

### 4. Are you a US Person?

- Yes: continue to question 5
- No: skip to question 6

### 5. Are you a Specified US Person?

- Yes: provide your TIN below and skip to question 7

- No: indicate exemption type and skip to question 7

### 6. Are you a Financial Institution for the purposes of FATCA?

- Yes: provide your Global Intermediary Identification Number (GIIN)

If you do not have a GIIN, please provide your FATCA status below and then continue to question 7. If you are a sponsored entity, please provide your GIIN above and your sponsor's details below and then continue to question 7.

- Exempt Beneficial Owner, provide type below:

- Deemed-Compliant FFI (other than a Sponsored Investment Entity or a Trustee Documented Trust), provide type below:

- Non-Participating FFI, provide type below:

- Sponsored Entity. Please provide the Sponsoring Entity's name and GIIN:


- Trustee Documented Trust. Please provide your Trustee's name and GIIN:


- Other, provide details:

- No: continue to question 7

**CRS****7. Are you a tax resident of any country outside of Australia and the US?**

- Yes: state each country and provide your TIN or equivalent (or Reason Code if no TIN is provided) for each jurisdiction below and continue to question 8

**Investor 1**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

**Investor 2**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If more space is needed please provide details as an attachment.*

**Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	

- No: continue to question 8

**8. Are you a Financial Institution for the purpose of CRS?**

- Yes: specify the type of Financial Institution below and continue to question 9

- Reporting Financial Institution  
 Non-Reporting Financial Institution:  
 Trustee Documented Trust  
 Other: please specify:

--

- No: skip to question 10

**9. Are you an investment entity resident in a non-participating jurisdiction for CRS purposes and managed by another financial institution?**

- Yes: skip to question 11  
 No: skip to question 12

## Non-Financial Entities

### 10. Are you an Active Non-Financial Entity (Active NFE)?

- Yes: specify the type of Active NFE below and skip to question 12:
- Less than 50% of the entity's gross income from the preceding calendar year is passive income (e.g. dividends, distribution, interests, royalties and rental income) and less than 50% of its assets during the preceding calendar year are assets held for the production of passive income
  - Corporation that is regularly traded or a related entity of a regularly traded corporation
- Provide name of Listed Entity:
- and exchange on which traded:
- Governmental Entity, International Organisation or Central Bank
  - Other: please specify:
- No: you are a Passive Non-Financial Entity (Passive NFE). Continue to question 11

## Controlling Persons

### 11. Does one or more of the following apply to you:

- Is any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital) a tax resident of any country outside of Australia?
- If you are a trust, is any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust a tax resident of any country outside of Australia?
- Where no natural person is identified as exercising control of the entity, the controlling person will be the natural person(s) who holds the position of senior managing official.

- Yes. provide controlling person information below:

#### Controlling person 1

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)  /  /

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

**Controlling person 2**

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

<input type="text"/>
----------------------

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)  /  / 

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If there are more than 2 controlling persons, please provide details as an attachment.***Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	

 No: continue to question 12**12. Signature and Declaration – ALL investors must sign**

- I undertake to provide a suitably updated self-certification within 30 days of any change in circumstances which causes the information contained herein to become incorrect.
- I declare the information above to be true and correct.

**Investor 1**

Name of individual/entity

<input type="text"/>
----------------------

Name of authorised representative

<input type="text"/>
----------------------

Signature

<input type="text"/>
----------------------

Date

<input type="text"/>
----------------------

**Investor 2**

Name of individual/entity

<input type="text"/>
----------------------

Name of authorised representative

<input type="text"/>
----------------------

Signature

<input type="text"/>
----------------------

Date

<input type="text"/>
----------------------

## SECTION 8 – DECLARATIONS – ALL INVESTORS MUST COMPLETE

In most cases the information that you provide in this form will satisfy the AML/CTF Act, the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act, FATCA and CRS.

### When you complete this Application Form you make the following declarations:

- I/We have received the PDS/IM and made this application in Australia (and/or New Zealand for those offers made in New Zealand).
- I/We have read the PDS/IM to which this Application Form applies and agree to be bound by the terms and conditions of the PDS/IM and the Constitution of the relevant Fund/Trust in which I/we have chosen to invest.
- I/we have carefully considered the features of Fund/Trust as described in the PDS (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund/Trust is consistent with my/our investment objectives, financial circumstances and needs.\*
- I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
- I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
- I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund/Trust in which I/We have chosen to invest.
- I/We acknowledge and agree that Equity Trustees has outlined in the PDS/IM provided to me/us how and where I/we can obtain a copy of the Equity Trustees Group Privacy Statement.
- I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of Equity Trustees or its related bodies corporate and to foreign government agencies for reporting purposes (if necessary).
- I/we hereby confirm that the personal information that I/we have provided to Equity Trustees is correct and current in every detail, and should these details change, I/we shall promptly advise Equity Trustees in writing of the change(s).
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
- If I/we have provided an email address, I/we consent to receive ongoing investor information including PDS/IM information, confirmations of transactions and additional information as applicable via email.
- I/We acknowledge that Equity Trustees does not guarantee the repayment of capital or the performance of the Fund/Trust or any particular rate of return from the Fund/Trust.
- I/We acknowledge that an investment in the Fund/Trust is not a deposit with or liability of Equity Trustees and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- I/We acknowledge that Equity Trustees is not responsible for the delays in receipt of monies caused by the postal service or the investor's bank.
- If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
- If I/we have completed and lodged the relevant sections on authorised representatives, agents and/or financial advisers on the Application Form then I/we agree to release, discharge and indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Equity Trustees acting on the instructions of my/our authorised representatives, agents and/or financial advisers.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
  - I/we are ineligible to hold units in a Fund/Trust or have provided misleading information in my/our Application Form; or
  - I/we owe any amounts to Equity Trustees, then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund/Trust.
- **For Wholesale Clients\*** – I/We acknowledge that I am/we are a Wholesale Client (as defined in Section 761G of the Corporations Act 2001 (Cth)) and are therefore eligible to hold units in the Fund/Trust.
- **For New Zealand applicants\*** – I/we have read the terms of the offer relating to New Zealand investors, including the New Zealand warning statement.
- **For New Zealand Wholesale Investors\*** – I/We acknowledge and agree that:
  - I/We have read the “New Zealand Wholesale Investor Fact Sheet” and PDS/IM or “New Zealand Investors: Selling Restriction” for the Fund/Trust;
  - I am/We are a Wholesale Investor and am/are therefore eligible to hold units in the Fund/Trust; and
  - I/We have not:

- Offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund/Trust;
- Granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund/Trust; and
- Distributed and will not distribute, directly or indirectly, the PDS/IM or any other offering materials or advertisement in relation to any offer of units in the Fund/Trust, in each case in New Zealand, other than to a person who is a Wholesale Investor; and
- I/We will notify Equity Trustees if I/we cease to be a Wholesale Investor; and
- I/We have separately provided a signed Wholesale Investor Certification located at the end of this Application Form.

All references to Wholesale Investor in this Declaration are a reference to Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

\* Disregard if not applicable.

**\*Terms and conditions for collection of Tax File Numbers (TFN) and Australian Business Numbers (ABN)**

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption, we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements.

For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund/Trust where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

**When you sign this Application Form you declare that you have read, agree to and make the declarations above**

**Investor 1**

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date

Company Seal (if applicable)

**Investor 2**

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date

## SECTION 9 – AML/CTF IDENTITY VERIFICATION REQUIREMENTS

The AML/CTF Act requires the Responsible Entity to adopt and maintain an Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program. The AML/CTF Program includes ongoing customer due diligence, which may require the Responsible Entity to collect further information.

- Identification documentation provided must be in the name of the investor.
- Non-English language documents must be translated by an accredited translator. Provide both the foreign language document and the accredited English translation.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please contact Equity Trustees.

**These documents should be provided as an original or a CERTIFIED COPY of the original.**

### Who can certify?

Below is an example of who can certify proof of ID documents under the AML/CTF requirements:

- Bailiff
- Bank officer with 5 or more years of continuous service
- Building society officer with 5 or more years of continuous service
- Chiropractor (licensed or registered)
- Clerk of court
- Commissioner for Affidavits
- Commissioner for Declarations
- Credit union officer with 5 or more years of continuous service
- Dentist (licensed or registered)
- Fellow of the National Tax Accountant's Association
- Finance company officer with 5 or more years of continuous service
- Judge of a court
- Justice of the peace
- Legal practitioner (licensed or registered)
- Magistrate
- Marriage celebrant licensed or registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961
- Master of a court
- Medical practitioner (licensed or registered)
- Member of Chartered Secretaries Australia
- Member of Engineers Australia, other than at the grade of student
- Member of the Association of Taxation and Management Accountants
- Member of the Australian Defence Force with 5 or more years of continuous service
- Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practicing Accountants or the Institute of Public Accountants
- Member of the Parliament of the Commonwealth, a State, a Territory Legislature, or a local government authority of a State or Territory
- Minister of religion licensed or registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961
- Nurse (licensed or registered)
- Optometrist (licensed or registered)
- Permanent employee of Commonwealth, State or local government authority with at least 5 or more years of continuous service.
- Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service
- Pharmacist (licensed or registered)
- Physiotherapist (licensed or registered)
- Police officer
- Psychologist (licensed or registered)
- Registrar, or Deputy Registrar, of a court
- Sheriff
- Teacher employed on a full-time basis at a school or tertiary education institution
- Veterinary surgeon (licensed or registered)

### When certifying documents, the following process must be followed:

- All copied pages of original proof of ID documents must be certified and the certification must not be older than 2 years.
- The authorised individual must ensure that the original and the copy are identical; then write or stamp on the copied document "certified true copy". This must be followed by the date and signature, printed name and qualification of the authorised individual.
- In cases where an extract of a document is photocopied to verify customer ID, the authorised individual should write or stamp "certified true extract".

## GROUP A – Individuals/Joint

Each individual investor, individual trustee, beneficial owner, or individual agent or authorised representative must provide one of the following primary photographic ID:

- A current Australian driver's licence (or foreign equivalent) that includes a photo and signature.
- An Australian passport (not expired more than 2 years previously).
- A foreign passport or international travel document (must not be expired)
- An identity card issued by a State or Territory Government that includes a photo.

If you do NOT own one of the above ID documents, please provide one valid option from Column A and one valid option from Column B.

<b>Column A</b>	<b>Column B</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Australian birth certificate.</li> <li><input type="checkbox"/> Australian citizenship certificate.</li> <li><input type="checkbox"/> Pension card issued by Department of Human Services.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.</li> <li><input type="checkbox"/> A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.</li> <li><input type="checkbox"/> A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).</li> <li><input type="checkbox"/> If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school.</li> </ul>

## GROUP B – Companies

For Australian Registered Companies, provide one of the following (must clearly show the Company's full name, type (private or public) and ACN):

- A certified copy of the company's Certificate of Registration or incorporation issued by ASIC.
- A copy of information regarding the company's licence or other information held by the relevant Commonwealth, State or Territory regulatory body e.g. AFSL, RSE, ACL etc.
- A full company search issued in the previous 3 months or the company's last annual statement issued by ASIC.
- If the company is listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code.
- If the company is a majority owned subsidiary of a company listed on an Australian securities exchange, provide details of the holding company name, its registration number e.g. ACN, the securities exchange and the ticker (issuer) code.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ACN issued by ASIC.

For Foreign Companies, provide one of the following:

- A certified copy of the company's Certificate of Registration or incorporation issued by the foreign jurisdiction(s) in which the company was incorporated, established or formed.
- A certified copy of the company's articles of association or constitution.
- A copy of a company search on the ASIC database or relevant foreign registration body.
- A copy of the last annual statement issued by the company regulator.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ARBN issued by ASIC, or the identification number issued to the company by the foreign regulator.

**In addition, please provide verification documents for each beneficial owner or controlling person (senior managing official and shareholder) as listed under Group A.**

A beneficial owner of a company is any person entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or who holds the position of senior managing official (or equivalent) and is thus the controlling person.

## GROUP C – Trusts

For a Registered Managed Investment Scheme, Government Superannuation Fund or a trust registered with the Australian Charities and Not-for-Profit Commission (ACNC), or a regulated, complying Superannuation Fund, retirement or pension fund (including a self-managed super fund), provide one of the following:

- A copy of the company search of the relevant regulator's website e.g. APRA, ASIC or ATO.
- A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.
- A copy from the ACNC of information registered about the trust as a charity
- Annual report or audited financial statements.
- A certified copy of a notice issued by the ATO within the previous 12 months.
- A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

For all other Unregulated trust (including a Foreign trust), provide the following:

- A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

**If the trustee is an individual, please also provide verification documents for one trustee as listed under Group A.**

**If the trustee is a company, please also provide verification documents for a company as listed under Group B.**

## GROUP D – Authorised Representatives and Agents

In addition to the above entity groups:

- If you are an **Individual Authorised Representative or Agent** – please also provide the identification documents listed under Group A.
- If you are a **Corporate Authorised Representative or Agent** – please also provide the identification documents listed under Group B.

All Authorised Representatives and Agents must also provide a certified copy of their authority to act for the investor e.g. the POA, guardianship order, Executor or Administrator of a deceased estate, authority granted to a bankruptcy trustee, authority granted to the State or Public Trustee etc.

## SECTION 10 – GLOSSARY

Custodian – means a company that:

- a) is acting in the capacity of a trustee; and
- b) is providing a custodial or depository service of the kind described in item 46 of table 1 in subsection 6(2) of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act); and
- c) either:
  - i. holds an Australian financial services licence authorising it to provide custodial or depository services under the Corporations Act 2001; or
  - ii. is exempt under the Corporations Act 2001 from the requirement to hold such a licence; and
- d) either:
  - i. satisfies one of the 'geographical link' tests in subsection 6(6) of the AML/CTF Act; or
  - ii. has certified in writing to the relevant reporting entity that its name and enrolment details are entered on the Reporting Entities Roll; and
- e) has certified in writing to the relevant reporting entity that it has carried out all applicable customer identification procedures and ongoing customer due diligence requirements in accordance with Chapter 15 of the AML/CTF Rules in relation to its underlying customers prior to, or at the time of, becoming a customer of the reporting entity.