

Coolabah Floating-Rate High Yield Fund (Managed Fund)



Reference Guide

Issue Date 9 December 2022

About this Reference Guide

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity"). The information in this document forms part of the Product Disclosure Statements ("PDS") for the Assisted Investor Class and the Institutional Class (each, a "Class") of the Coolabah Floating-Rate High Yield Fund (Managed Fund) ARSN 664 098 382 ("Fund").

Updated information

Information in the PDS and this RG is subject to change. Before making an investment in the Fund, you should ensure that you have read the relevant PDS and RG current as at the date of your investment.

You can request a copy of the PDS and RG by calling the Investment Manager on 1300 901 711, visiting www.coolabahcapital.com or by visiting Equity Trustees at www.eqt.com.au/insto. A paper copy of the updated information may also be provided free of charge on request.

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Investment Manager

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Email: info@coolabahcapital.com
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Corporate Authorised Representative (CAR)
#000414337 of Coolabah Capital Institutional
Investments Pty Ltd AFSL 482238

Administrator

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Sydney NSW 2001
Ph: 1300 133 451
Fax: +61 2 9251 3525
Web: www.apexgroup.com.au

Responsible Entity

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Melbourne VIC 3001
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Web: www.eqt.com.au/insto

1. Investing in the Coolabah Fund

Application cut-off times

If we receive a correctly completed online application or Application Form attached to the PDS, identification documents (if applicable) and cleared application money:

- before 3pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for that Business Day; or
- on or after 3pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for the next Business Day.

Please see the relevant PDS for information regarding how to apply.

Application terms

We will only start processing an application if:

- we consider that you have correctly completed the online application or Application Form attached to the relevant PDS;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your online application or Application Form attached to the relevant PDS.

Direct debit & savings plan

This information applies only if you have indicated that you wish for your initial or additional investment amounts to be paid by direct debit. Please ensure you have provided the details of your financial institution and completed the direct debit request in the relevant sections of the Application Form, or contact Apex on 1300 133 451.

The following is your Direct Debit Service Agreement ("Agreement") with Apex Fund Services Pty Ltd ABN 81 118 902 891 ("Apex"), who acts as the Fund Administrator of each Fund ("Administrator"). The Agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with Apex. It also details what Apex's obligations are to you as your Direct Debit Provider. We recommend you keep this information in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request in the relevant sections of the Application Form or Additional Application Form (as applicable).

Definitions:

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited

Agreement means the Direct Debit Request Service Agreement between you and Apex

Banking Day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia

Debit Day means the day that payment by you to Apex is due

Direct Debit Request means the direct debit request in the Application Form or Additional Application Form

Direct Payment means a particular transaction where a debit is made

We means Apex, (the "Debit User") you have authorised by signing a Direct Debit Request

You means the customer who has signed or authorised by other means the Direct Debit Request

Your financial institution means the financial institution nominated by you on the Direct Debit Request at which the account is maintained.

1. Debiting your Account

1.1 By signing a direct debit request or by providing Apex with a valid instruction, you have authorised Apex to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between Apex and you.

1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request; or

We will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the direct debit request, a billing advice which specifies the amount payable by you to Apex and when it is due.

1.3 If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Amendments by Apex

2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least fourteen (14) days written notice.

3. Amendments by You

3.1 You may change, stop or defer a debit payment, or terminate this agreement by providing Apex with at least fourteen (14) days notification by writing to:

Unit Registry, Apex Fund Services Pty Ltd, GPO BOX 4968, Sydney NSW 2001

or

by telephoning Apex on 1300 133 451 during business hours;

or

arranging it through your own financial institution.

4. Your Obligations

4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.

4.2 If there are insufficient clear funds in your account to meet a debit payment:

a) you may be charged a fee and/or interest by your financial institution;

b) you may also incur fees or charges imposed or incurred by Apex; and

c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

4.3 You should check your account statement to verify that the amounts debited from your account are correct.

4.4 If we are liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay Apex on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

5.1 If you believe that there has been an error in debiting your account, you should notify Apex directly on 1300 133 451 and confirm that notice in writing with Apex as soon as possible so that we can resolve your query more quickly. Alternatively you can take it up with your financial institution directly.

5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing

6. Accounts

6.1 You should check:

a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions; and

b) your account details which you have provided to Apex are correct by checking them against a recent account statement; and

c) with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

7. Confidentiality

7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information that we have about you:

- a) to the extent specifically required by law; or
- b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

8.1 If you wish to notify Apex in writing about anything relating to this agreement, you should write to:

Apex Fund Services Pty Ltd GPO Box 4968 Sydney NSW 2001

8.2 We will notify you by sending a notice in the ordinary post to the address you have given Apex in the Direct Debit Request.

8.3 Any notice will be deemed to have been received on the third banking day after posting.

BPay®

You will be given your reference number when you first invest to allow you to transfer initial and additional investments by using BPAY. To facilitate the use of this service you will need to use your online banking service from your participating Australian financial institution.

2. Managing your investment

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions be changed;
- withdrawing all or part of your investment;
- changing bank account details; and
- enquiring and obtaining copies of the status of your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, claims and demands arising from instructions received from your authorised signatory; and
- you agree that our acting on any instructions received from your authorised signatory shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

Reports

Investors will be provided with the following reports:

- application and withdrawal confirmation statements;
- transaction statements; and
- (where applicable), distribution and tax statements.

Annual audited financial accounts are available on Equity Trustees' website.

3. Withdrawing your investment

Withdrawal cut-off times

If we receive a withdrawal request:

- before 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day; or
- on or after 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next Business Day.

Please see the relevant PDS for information regarding how to request a withdrawal.

Withdrawal terms

Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

We may contact you to check your details before processing your withdrawal request but are not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.

When you are withdrawing, you should take note of the following:

- Withdrawals will only be paid to the investor.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in the PDS.
- If we cannot satisfactorily identify you as the withdrawing investor, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

Withdrawal restrictions

Access to your money can be delayed in limited circumstances but the Investment Manager considers this unlikely given the Fund's investments.

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, we may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors or former investors for us to do so, due to circumstances outside our control (such as restricted or suspended

Compulsory redemptions

We can redeem your investment without asking if you breach your legal obligations to us, to recover money you owe us or anyone else relating to your investment, if law prohibits you from legally being an investor or if you fail to meet the minimum account balance from time to time.

4. Additional information on risks

Borrowing risk

The Fund borrows to increase its investment exposure and meet its investment objective. This is also called gearing or leverage and means the returns will be greater than the returns generated by an equivalent unleveraged portfolio. Similarly, if the investments generate a negative return, the losses will be greater than the losses generated by an equivalent unleveraged portfolio. For further information on the Fund's use of borrowing (or leverage), including exposure limits, see "Leverage" under Section 5 of the PDS.

Financial instruments risk

It is also possible that from time to time derivatives may be used to manage the Fund's risks when considered appropriate. Using sophisticated financial instruments has certain risks.

Derivatives are not used with the intention to gear the Fund (or cause it to be leveraged). If using a financial instrument brings with it the potential to pay more money, the Portfolio Manager makes sure that the Fund has the money or assets set aside to meet this requirement. However, various risks remain, including the value of a derivative failing to move in line with the underlying asset, potential illiquidity of a derivative, the Fund (or the underlying investment) not being able to meet payment obligations as they arise, potential leverage (or gearing) resulting from the position and counterparty risk (counterparty risk is where the other party to the derivative cannot meet its obligations).

Specialist professionals are employed to help manage the Fund and have a thorough understanding of the financial instruments it invests in. The Portfolio Manager deals with issuers and counterparties it considers to be reputable.

Unfortunately, using derivatives to reduce the Fund's risks is not always successful, is not always used to offset all relevant Fund risk, and is sometimes not cost effective or practical to use.

Information risk

We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. We use the Internet in operating the Fund and may store records in a cloud system. If stored overseas, different privacy and other standards may apply there.

The internet does not however always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

Liquidity risk

This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw investments of the Fund it may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.

This is one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal request. The law sometimes restricts withdrawals.

Although you may sell your units privately, you may not find a buyer or a buyer at the price you want.

Governance risk

The Portfolio Manager may take into account environmental, social and governance issues in the management of the Fund. The intention includes to help reduce certain potential credit risks and enhance relative performance of certain asset classes. Be aware that the Portfolio Manager's policy does not take into account all labour standards, environmental, social and ethical considerations, and that any assessment of what is or is not such a factor and should or need not be taken into is subjective. Remember that the Portfolio Manager's policy can change, and that investing having regard to such factors may not result in environmental, social or governance outcomes improving or desired investment outcomes being achieved. Investments may form part of the portfolio even though they do not meet such standards.

Structure risk

This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include; it could be closed and your money returned to you at the prevailing valuations at that time; there can be a change in the responsible entity or a change in the investment manager (for example if key individuals were no longer involved in managing the Fund); someone involved with your investment (even remotely) does not meet their obligations or perform as expected; assets may be lost, not recorded properly or misappropriated; laws may adversely change; insurers may not pay when expected; systems may fail or insurance may be inadequate.

Investment decisions by investment managers like CCIR, although taken carefully, are not always successful.

Investing in the Fund may give inferior results compared to investing directly (where, for example, you avoid the impact of others coming and going and may be able to manage your tax situation better).

Volatility risk

Markets can be volatile. Investing in volatile conditions usually implies a greater level of risk for investors than an investment in a more stable market. The Fund is expected to have higher volatility than traditional fixed interest funds due to its use of gearing or leverage.

Valuation risk

The value of the Fund's underlying investments, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments. The Fund seeks to reduce this risk by seeking that all the assets of the Fund are valued independently on a daily basis and wherever possible using market prices.

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, Portfolio Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

5. Additional information on fees and 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) 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.

Coolabah Floating-Rate High Yield Fund (Managed Fund)		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment</p>	<p><u>Coolabah Floating-Rate High Yield Fund (Managed Fund)</u></p> <ul style="list-style-type: none"> Assisted Investor Class = 1.00% of the NAV of the Fund² Institutional Class = 0.80% of the NAV of the Fund² 	<p>The management fees component of management fees and costs are accrued daily and paid from the relevant Class 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 relevant Class as they are incurred.</p> <p>The management fees component of management fees and costs may be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	<p><u>Coolabah Floating-Rate High Yield Fund (Managed Fund)</u></p> <ul style="list-style-type: none"> Assisted Investor Class = not applicable Institutional Class = not applicable 	Not applicable
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	<p><u>Coolabah Floating-Rate High Yield Fund (Managed Fund)</u></p> <ul style="list-style-type: none"> Assisted Investor Class = 0.00% of the NAV of the Fund² Institutional Class = 0.00% of the NAV of the Fund² 	Transaction costs are variable and deducted from the relevant Class as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<p><i>Establishment fee</i></p> <p>The fee to open your investment</p>	Not applicable	Not applicable
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your investment</p>	Not applicable	Not applicable
<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<p><u>Coolabah Floating-Rate High Yield Fund (Managed Fund)</u></p> <ul style="list-style-type: none"> Assisted Investor Class = nil upon entry and 0.05% upon exit Institutional Class = nil upon entry and 0.05% 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 relevant Class and are not separately charged to the investor. The Buy Spread is paid into the relevant Class as part of an application and the Sell Spread is left in the relevant Class as part of a redemption.

Coolabah Floating-Rate High Yield Fund (Managed Fund)

Type of fee or cost	Amount	How and when paid
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable
<i>Switching fee</i> The fee for changing investment options	Not applicable	Not applicable

¹ 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.

² The indirect costs component of management fees and costs and transaction costs is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. Please see "Additional Explanation of Fees and Costs" below.

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 1.00% p.a. of the NAV of the Assisted Investor Class, and 0.80% p.a. of the NAV of the Institutional Class 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 Class 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, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Investor Assisted Class and the Institutional Class 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. The indirect costs and other expenses component is variable and reflected in the unit price of the Class as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

The indirect costs and other expenses component is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by 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 where they are not otherwise required to be disclosed to investors under law.

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, as well as the costs of over-the-counter derivatives that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. 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 Class will incur when buying or selling assets of the Class. 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 Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption and not paid to the Responsible Entity or the Investment Manager. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread for the Assisted Investor Class and the Institutional Class is nil upon entry and 0.05% upon exit. The dollar value of these costs based on an application or a withdrawal of \$1,000 is nil (application) and \$0.50 (withdrawal) for each individual transaction.

The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.eqt.com.au/insto 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. Please call the Investment Manager prior to making an investment or withdrawal to obtain the current Buy/Sell Spread.

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

Coolabah Floating-Rate High Yield Fund (Managed Fund)	Gross transaction costs
Assisted Investor Class	0.00% p.a. of the NAV of the Class
Institutional Class	0.00% p.a. of the NAV of the Class

The gross transaction costs for the for the Assisted Investor Class and the Institutional Class are based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

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 4.00% of the gross asset value of the Class. 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 the 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 1300 901 711 for further information.

Taxation

Please refer to Section 7 of the PDS and Section 5 of this RG for further information on taxation.

6. Other important information

Taxation

Tax implications

This information is a general guide only for investors who hold their investment on capital account for income tax purposes and is based on our interpretation of the Australian taxation laws and Australian Taxation Office ("ATO") administrative practices as at the date of the publication of this PDS.

Tax can be complex and this guide is not intended to be a complete statement of all relevant tax laws. Investing through a trust can also mean different things for you from a tax perspective. The below is not an exhaustive summary of tax considerations of an investment in the Funds and does not consider foreign tax laws. It is important that you seek timely professional tax advice concerning the particular tax implications before making investment decisions.

Distributions

The Fund usually distributes income quarterly effective at the end of March, June, September and December each year, however distribution frequency can be changed by the RE without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date. The Fund's policy is to distribute all cash income of the Fund unless we consider it in the best interests of investors as a whole to do otherwise.

The Australian Government has enacted a regime for the taxation of managed investment trusts ("MITs"), referred to as the Attribution Managed Investment Trust ("AMIT") rules which may impact how the Fund's tax calculations are prepared (refer below). Where the Fund is a MIT it will make/rely on an election to apply deemed capital account treatment for gains and losses on disposal of eligible investments (including equities and units in trust).

Attribution Managed Investment Trusts (AMITs)

Where the Fund is subject to the new AMIT tax regime:

- The taxable income of the Fund is attributed to you by the Responsible Entity ("RE") on a fair and reasonable basis and in accordance with the Fund's constitution. You have rights in limited circumstances to object to any such decision however, we expect that for the most part, all investors of each class will be treated the same.
- Subsequent to its annual distribution, the Fund may discover that it under or over distributed its determined trust components (e.g. where actual amounts differ to the estimates of income used in the distribution calculation). If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be entitled to a decrease in the tax cost base of their units. Estimates of these net cost base increase or decrease amounts will also be provided to investors through the AMIT Member Annual Statement ("AMMA Statement").
- Unders and overs of trust components will generally be carried forward and included as an adjustment in the calculation of distributions in the year of discovery.

Non – Attribution Managed Investment Trusts (non-AMIT)

Where the Fund does not qualify or elect to be an AMIT, it will be subject to ordinary trust taxation provisions in the tax legislation.

Investors in the Fund will be made 'presently entitled' to and distributed all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

Taxation of Australian resident investors

Australian resident investors will be required each year to include in their own tax calculations and tax return filings the assessable income, exempt income, non-assessable income and tax offsets allocated to them by the Fund.

The Australian tax law may impact the time that income is brought to account as assessable and included in an investors taxable income. Broadly, the Taxation of Financial Arrangements ("TOFA") rules may affect the time at which gains and losses from financial arrangements held by the Fund are recognised for income tax purposes, including whether the gains and losses are recognised on an accruals or realisation basis. Certain foreign income may also be recognised on an accruals basis.

You may be entitled to tax offsets (such as franking credits attached to dividend income and credits for tax paid on foreign income) which may reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains. The ability to utilise these tax offsets and concessional rates of tax may be subject to certain requirements being satisfied.

Withdrawals

Australian investors may be liable for tax on any gains realised on the disposal of units when they make a withdrawal from the Fund or when ownership of their units' changes. In calculating any capital gain or capital loss under the CGT provisions, any taxable capital gain arising on disposal of your units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their units if the units are held of a period of more than 12 months, and certain other requirements are satisfied. You should always obtain professional tax advice about the availability of the CGT discount provisions.

Foreign investors

If you are a non-resident of Australia for tax purposes, the Responsible Entity may be required to withhold tax from taxable income distributions allocated to you.

The Australian tax implications on disposal of units in the Fund by a non-resident will depend on their specific circumstances. Generally, non-resident investors holding their units on capital account should be subject to Australian capital gains tax on the disposal of units in the Fund where the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may also apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property.

We recommend that non-resident investors 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.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based ‘FATCA’ laws, and also the ‘Common Reporting Standard’ which is designed to be a global standard for collection and reporting of tax information. Generally, we report this to the ATO, who then shares this with relevant foreign authorities.

Your 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, Portfolio 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 are available at 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.

The Constitution

The Fund is governed by a constitution that sets out the Fund’s operation (the “Constitution”). The Constitution, together with the Fund’s PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund’s PDS and the Fund’s Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

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.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal 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). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

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

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

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.

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.

NAV for the Class

The NAV for the Class is available at <http://www.eqt.com.au/insto>.

Meetings and changes of the responsible entity

Investor meetings are uncommon. Direct investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 investors present in person or by proxy together holding at least 10% of all units in the relevant class.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Direct investors can requisition a meeting. The quorum for a meeting where there is any proposal to remove the responsible entity is at least 2 investors present in person or by proxy together holding at least 50% of all units in the Fund.

Terminating the Fund

We can decide to terminate the Fund anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to investors as soon as we consider practicable. It can take some time to finalise this process.

Limits on our responsibility

The constitution has some limits on when we are liable to investors for example, when we rely in good faith on professional advice. Subject always to any liability which the Corporations Act might impose on us, if we act in good faith and without gross negligence, we are not liable to investors for any loss suffered in any way relating to an investment in the Fund.

The constitution also contains a provision that the relevant constitution is the source of our relationship with investors and not any other laws, except those laws we cannot exclude.

7. Glossary

Application Form

The Application Form that accompanies the PDS.

APRA

Australian Prudential Regulatory Authority

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Authorised Deposit-taking Institutions (ADIs)

An Australian government term for financial institutions in Australia which are supervised by APRA and authorised under the Banking Act to accept deposits from the public.

Business Day

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

CCIR

Coolabah Capital Investments (Retail) Pty Ltd ABN 64 153 555 867

CCII

Coolabah Capital Institutional Investments Pty Ltd ABN 85 605 806 059

Corporations Act

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

Derivative

A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common Derivatives include options, futures and forward exchange contracts.

IDPS

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers. In New Zealand, the IDPS Operator needs to be licensed as a Discretionary Investment Management Service provider.

IDPS Operator

The entity responsible for operating an IDPS.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Net Asset Value (NAV)

The value of the assets of the Class less the value of the liabilities of that Class but before management costs and performance fees.

Unit

A unit of the unit trust comprising the Fund.

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.

We, us

Refers to Equity Trustees.

Wholesale Client and Retail Client

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