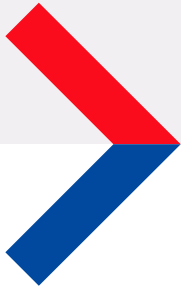


# Complex Funds

Reference Guide



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## The name and contact details for the products referred to in this document are:

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This Reference Guide contains statements and information incorporated by reference and must be read in conjunction with the relevant offer document for the product you wish to apply for. A reference to 'the offer document' in this Reference Guide is a reference to the offer document, the Investment Options Menu (if applicable) and all statements and information incorporated by reference as described and listed in the relevant offer document for the product you wish to apply for. You should read all parts of the relevant offer document. If you would like a paper copy to be sent to you, free of charge, contact Colonial First State on 13 13 36 or email us at [contactus@cfs.com.au](mailto:contactus@cfs.com.au)

Investments are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 ('CFSIL', 'the Responsible Entity' (RE)).

Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 is the trustee of the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 (FirstChoice Trust). Colonial First State (CFS) refers to Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include CFSIL and AIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA) holding a significant minority interest.

The investment performance and the repayment of capital of CFSIL and/or AIL products is not guaranteed. Apart from FirstRate products, investments in FirstChoice products are not deposits or other liabilities of CBA or CFS entities. Investment-type products are subject to investment risk including loss of income and capital invested.

Other information about the role of service providers and investment managers can be found in the relevant offer document, including on the inside cover of the relevant offer document.

The RE may change any of the terms and conditions contained or referred to in the relevant offer document and, where a change is material, the RE will notify you in writing within the timeframes provided for in the relevant legislation. You should note that unless an investment fund is suspended, restricted or unavailable, you may withdraw from an investment fund in accordance with our normal processes.

The information contained in this Reference Guide is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice relevant to your personal circumstances before investing.

The investment managers of the investment funds available for investment have given, and not withdrawn, their consent to be included in this Reference Guide in the form and context in which they are included. The investment managers are acting as investment managers only for the relevant funds. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the funds.

Colonial First State Investments Limited is the entity which is licensed by Australian Securities and Investment Commission (ASIC) to operate managed investment schemes (Fund) and is responsible for holding and administering the Fund's assets in accordance with the Fund's constitution and the *Corporations Act 2001*.

This information is current as at 15 June 2024 and may be updated from time to time. Please refer to our website or call us for the most up to date information.

## Introduction

ASIC Regulatory Guide 240 (RG240) Hedge Funds: Improving Disclosure has introduced several benchmarks and disclosure principles which aim to help investors make more informed decisions about investing in certain funds. These funds have been defined by ASIC as 'hedge' funds and may be considered more complex than other funds if they satisfy certain characteristics.

Hedge funds and funds with certain hedge fund characteristics can pose more complex risks for investors than traditional managed investment schemes. This can arise due to their diverse investment strategies, in many cases involving the use of leverage and complex and offshore structures.

ASIC has identified some characteristics that distinguish hedge funds from other managed investment schemes, such as the use of leverage, derivatives and short selling, charging performance fees or funds that have complex investment strategies or structures. Where a fund exhibits

two or more of the characteristics defined, ASIC now requires responsible entities to provide additional reporting and disclosure.

In this Reference Guide we will be referring to these funds as 'complex' funds.

## Benchmarks and disclosure principles for 'complex' funds

For those investment funds that have been identified as 'complex' funds there are certain benchmarks and disclosure principles which must be described in detail. These benchmarks and additional disclosure may assist you in making your investment decision.

The table below outlines the benchmarks and disclosure principles which must be explained for each fund that has been identified as a 'complex' fund.

### Benchmarks

| Benchmark                         | Description  |
|-----------------------------------|--|
| Benchmark 1 – Valuation of assets | Colonial First State Investments Limited meets this benchmark as it has a policy which requires that fund assets, which are not exchange-traded, are valued by an independent administrator or an independent valuation service provider. The assets of a fund are valued at market value or a value provided by an independent source in consultation with Colonial First State Investments Limited and in accordance with standard market practice.  |
| Benchmark 2 – Periodic reporting  | Colonial First State Investments Limited has policies in place to make available on our website the following information for each fund as soon as practical after the relevant period: <ul style="list-style-type: none"><li>• Daily unit prices</li><li>• Quarterly:<ul style="list-style-type: none"><li>• Quarter-end invested asset allocation/regional allocation</li><li>• Quarterly top 10 holdings (if applicable)</li><li>• Quarter-end net historical performance and net return on a fund's assets</li><li>• Fund performance and activity, and outlook and strategy for each fund</li><li>• Material changes in a fund's risk profile.</li></ul></li><li>• Annually:<ul style="list-style-type: none"><li>• Actual asset allocation for each fund</li><li>• Annual investment returns over at least a five-year period</li><li>• Audited financial statements for each fund</li><li>• Audited financial statements for Colonial First State Investments Limited</li><li>• Maturity profile of financial liabilities relative to the liquidity profile of the fund's assets.</li></ul></li></ul> |

**The availability of the information above to unitholders will be subject to limitations around the nature of any commercially sensitive information that must be held confidential.**

### Disclosure principles

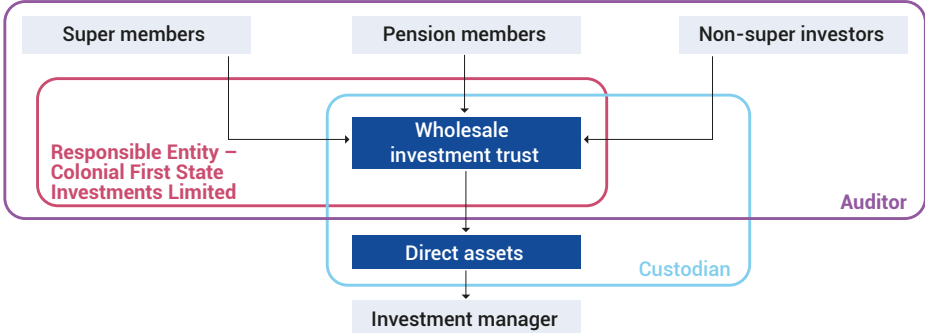
| Disclosure principle                      | Description  |
|---|--|
| Investment strategy                       | Details of the fund's investment strategy, including the type of strategy, how it works and how risks are managed.   |
| Investment manager                        | Information about the people responsible for managing the fund's investments. Detailed information about the investment manager for each fund can be found in each Manager profile which is available on the Find a Fund page on our website <a href="https://cfs.com.au">cfs.com.au</a> |
| Fund structure                            | An explanation of the investment structures involved.  |
| Valuation, location and custody of assets | Disclosure of the types of assets held, where they are located, how they are valued and the custodial arrangements.  |
| Liquidity                                 | The fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.   |
| Leverage                                  | Outlines the maximum level of leverage (where applicable) of the fund.   |
| Derivatives                               | The purpose and types of derivatives used by the appointed investment manager and the associated risks.  |
| Short selling                             | How short selling (where applicable) may be used as part of the investment strategy and the associated risks and costs of short selling.   |
| Withdrawals                               | Circumstances in which the RE allows withdrawals. A full explanation of how your withdrawal will be processed can be found in the relevant offer document for the product you are investing in, which is available on our website, <a href="https://cfs.com.au">cfs.com.au</a>           |

**The disclosure principles for each fund identified as a 'complex' fund are detailed on pages 3 to 54.**

# Glossary

| Term                          | Definition   |
|-------------------------------|--|
| <b>Absolute return</b>        | the return that an asset achieves over a certain period of time. Absolute return differs from relative return because it is concerned with the return of a particular asset and does not compare it to any other measure or benchmark.   |
| <b>Active risk</b>            | a type of risk that a fund or managed portfolio creates as it attempts to beat the returns of the benchmark against which it is compared.  |
| <b>Alpha</b>                  | a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.   |
| <b>Arbitrage</b>              | the simultaneous purchase and sale of an asset in order to profit from a difference in the price.  |
| <b>Beta</b>                   | a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.  |
| <b>Cap-weighted benchmark</b> | an equity index that has a limit on the weight of any single security. Thus, a capped index sets a maximum percentage on the relative weighting of a component that is determined by its market capitalisation.  |
| <b>Collar strategy</b>        | a protective options strategy that is implemented after a long position in a stock has experienced substantial gains.  |
| <b>Delta</b>                  | the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative.  |
| <b>Derivative</b>             | a type of security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset.   |
| <b>Event driven</b>           | a strategy that attempts to take advantage of events such as mergers and restructurings that can result in the short-term mispricing of a company's stock.   |
| <b>Floating rate notes</b>    | long-term (one year or more) debt securities whose interest rates are adjusted periodically in line with a benchmark rate.   |
| <b>Franking credit</b>        | a type of tax credit that allows domestic companies to pass through taxes that have already been paid on corporate profits. The investor receiving stock dividends will also receive a quantity of franking credits in proportion to the overall tax rate of the company per dollar in profits.  |
| <b>Futures</b>                | a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a pre-determined future date and price.  |
| <b>ISDA</b>                   | the International Swaps and Derivatives Association, which helps to improve the private negotiated derivatives market by identifying and reducing risks in the market.   |
| <b>ISDA master agreement</b>  | a basic, standardised swap contract created by ISDA in the late 1980s. The standard agreement identifies the two parties entering the transaction; describes the terms of the arrangement, such as payment, events of default and termination; and lays out all other legalities of the deal.  |
| <b>Leverage</b>               | using financial instruments or borrowing to increase the potential return of an investment.  |
| <b>Long position</b>          | the buying of a security such as a stock, commodity or currency, with the expectation that the asset will rise in value.   |
| <b>Mark to market</b>         | when the net asset value (NAV) of a fund is valued based on the most current market valuation.   |
| <b>Naked short selling</b>    | practice of short selling shares that are not owned by the seller.   |
| <b>Options</b>                | a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). Call options give the option to buy at a certain price, so the buyer would want the stock to go up. Put options give the option to sell at a certain price, so the buyer would want the stock to go down.  |
| <b>Paired trade</b>           | pair trades investing involves going long in one stock and short in a similar stock in the same industry, so hedging out the industry risk.  |
| <b>Short selling</b>          | the sale of a security that isn't owned by the seller or which the seller has borrowed.  |
| <b>SPI futures contract</b>   | the benchmark equity index futures contract in Australia, based on the S&P/ASX 200 Index.  |
| <b>Standard deviation</b>     | a measure of the dispersion of a set of data from its mean. In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility.  |
| <b>Value at Risk (VaR)</b>    | a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific timeframe. VaR is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome. |

| 1 Investment strategy   | Description   |
|---|---|
| Investment strategy   | <p>The strategy typically invests in a select number of attractively valued companies listed on global share markets (usually a minimum of 30 long holdings) and will typically have net equity exposure of 50-100%. Whilst the strategy invests primarily in international equities the strategy permits a wide range of investments including but not limited to: cash and deposits; fixed income and debt securities; company securities other than shares (including options, convertible notes, rights and debentures); derivatives – exchange traded and over-the-counter (including options, participatory notes, futures and swaps for equity, fixed income, currency, commodity and credit default exposures); currency contracts; interests in managed investment schemes and collective investment vehicles; unlisted securities and securities that are not traded on a recognised market; bullion, land and other physical commodities.</p> <p>Derivative and currency positions may be used where Antipodes sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk. Derivatives may also be used to amplify high conviction ideas.</p>   |
| Asset classes   | Global shares (including derivatives), cash and fixed income.   |
| Location and currency denomination of assets                    | The Fund does not have limits with respect to geographical locations Currency denomination – The assets of the Fund are normally valued in the local currency, however the reporting currency of the Fund is Australian dollars.  |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – The Fund’s maximum allowable gross exposure (sum of long and short positions) is 150% of its net asset value (‘NAV’). However, the anticipated gross exposure will generally be between 100-150% of NAV. The Fund’s maximum allowable net equity exposure (long minus short positions) is 100% of NAV</p> <p><b>Derivatives</b> – Derivatives are used predominantly to establish short positions in securities or market indices and thus reduce the Fund’s net equity exposure to markets, and to hedge currencies. Derivatives may also be used to amplify high conviction ideas. The underlying value of derivatives may not exceed 100% of the NAV of the Fund. Antipodes may use exchange traded and over-the-counter (‘OTC’) derivatives (including options, futures and swaps, currency, commodity and credit default exposures), currency forwards/contracts and related instruments.</p> <p><b>Short selling</b> – Antipodes may use derivative and currency positions where it sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk.</p>   |
| Investment returns and assumptions                              | <p>Antipodes’ approach seeks to take advantage of the market’s tendency for irrational extrapolation around change, identify great businesses that are not valued as such and build high conviction portfolios (usually a minimum of 30 long holdings) with a capital preservation focus.</p> <p>Antipodes aspires to grow client wealth over the long-term by generating absolute returns in excess of the benchmark at below market levels of risk.</p> <p>Equity investment returns are primarily driven by the:</p> <ul style="list-style-type: none"> <li>• Economic performance of the business you own or business ‘resilience’</li> <li>• Price paid or starting valuation.</li> </ul> <p>Business ‘resilience’ is determined by the degree and sustainability of competitive advantage and is ultimately subject to ongoing tests as excess returns will attract change in the operating environment, including new competition, technological disruption, greater regulation and management missteps. Accordingly, in the long term all businesses succumb to changes in the operating environment as described by the Antipodes Capital Lifecycle Model®.</p>  |
| Risk management strategy (key aspects)                          | <p>The success of the Fund depends upon the investment manager’s ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Fund. Matters such as the loss of key staff, the investment manager’s replacement as investment manager of the Fund, or the investment manager’s failure to perform as expected may negatively impact on returns, risks and/or liquidity.</p> <p>Additionally, the Fund may fail to perform as expected or be able to achieve its stated objectives thereby reducing the value of your investment leading to loss.</p>   |
| Diversification guidelines and limits                           | <p>Antipodes’ goal is to maximise risk-adjusted returns over the investment cycle (typically 3–5 years). Antipodes seeks to build portfolios from high conviction ideas (asymmetric risk-return payoff) that also represent non correlated sources of alpha. In practice, portfolios are built based on the following principles:</p> <ul style="list-style-type: none"> <li>• For a given level of expected investment risk, position size is determined by expected return or margin of safety</li> <li>• Optimised to minimise downside volatility with correlated sources of alpha typically limited to less than 15% of the portfolio</li> <li>• The top 10 positions will typically account for 25% to 35% of the portfolio and the top 30 positions 60% to 80%</li> <li>• Where permitted, Antipodes will use equity shorts and currency positions to take advantage of asymmetric risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk</li> <li>• When Antipodes foresees a high risk of losing money on an underlying currency exposure, Antipodes may hedge into an appropriately undervalued currency</li> <li>• Derivatives may be used to amplify high conviction ideas</li> <li>• In the absence of finding individual securities that meet Antipodes’ investment criteria, cash may be held.</li> </ul> |
| Investment strategy changes                                     | <p>The Fund is managed by Antipodes Partners Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |

| 2 Investment manager   | Description  |                  |          |                       |       |
|--|--|------------------|----------|-----------------------|-------|
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)                  | The Antipodes investment team is led by Jacob Mitchell, formerly Deputy Chief Investment Officer (CIO) of Platinum Asset Management. As CIO, Jacob is responsible for the implementation of the firm and Fund's investment strategy. Jacob and the Antipodes investment team spend as much time as required to accomplish the investment objectives of the Fund. Antipodes is majority owned by its seasoned investment team and its performance culture is underpinned by sensible incentives, a focused offering and the outsourcing of non-investment functions to maximise focus on investing.   |                  |          |                       |       |
| Termination of investment management agreement (IMA)   | The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.  |                  |          |                       |       |
| 3 Fund structure   | Description  |                  |          |                       |       |
| Investment structure   | <p>Each fund is managed investment scheme registered with the ASIC.</p>  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     NSI[Non-super investors] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     DA --- C[Custodian]     WIT --- A[Auditor]     </pre>   |                  |          |                       |       |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Antipodes Partners Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) is appointed as the Custodian to hold the assets of the Fund.</p>  |                  |          |                       |       |
| Monitoring service providers   | <p><b>Investment Manager:</b> Antipodes Partners Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts and periodic on-site due diligence visits.</p>   |                  |          |                       |       |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.   |                  |          |                       |       |
| Jurisdiction of entities involved in the fund structure  | Colonial First State Investments Limited – Australia<br>Antipodes Partners Limited – Australia<br>Citibank NA (Hong Kong) – Hong Kong<br>KPMG – Australia  |                  |          |                       |       |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | Fund assets are held in each Fund's respective Custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.  |                  |          |                       |       |
| 4 Valuation, location and custody of assets  |  |                  |          |                       |       |
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |                  |          |                       |       |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)                        | <table border="0"> <tr> <td>Global Equities*</td> <td style="text-align: right;">50%–100%</td> </tr> <tr> <td>Cash and fixed income</td> <td style="text-align: right;">0–50%</td> </tr> </table> <p>* Please note: The underlying portfolio's gross exposure is limited to 150% net asset value of the underlying portfolio. The maximum allowable net equity exposure is 100% of the net asset value.</p>  | Global Equities* | 50%–100% | Cash and fixed income | 0–50% |
| Global Equities*   | 50%–100%   |                  |          |                       |       |
| Cash and fixed income  | 0–50%  |                  |          |                       |       |

|   |  |
|---|--|
| Custodian arrangements                                  | <p>A professional custodian, Citibank NA (Hong Kong), holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by Colonial First State Investments Limited (CFSIL), the Responsible Entity. CFSIL may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, CFSIL must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>  |
| Geographic location of assets or material assets        | The assets of the Fund are held by the Custodian around the world.   |
| <b>5 Liquidity</b>                                      | <b>Description</b>   |
| Liquidity   | <p>The Responsible Entity reasonably expects that it will be able to realise at least 80% of the Fund's assets at the value ascribed to those assets in calculating the Fund's most recent net asset value, within 10 days.</p> <p>The Fund primarily invests in listed equities traded on regulated exchanges around the world. The Fund may make investments in companies that may not be readily liquidated within 10 days at the desired price or at the value ascribed to that asset in calculating the Fund's most recent NAV.</p> <p>The Investment Manager is required to maintain adequate cash levels in the Fund for the settlement of trades and to meet withdrawals made during the normal course of business.</p>  |
| <b>6 Leverage</b>                                       | <b>Description</b>   |
| Use of leverage and restrictions on the use of leverage | Whilst there is no restriction on borrowing in the Fund's constitution, the Fund does not borrow money to invest or create financial leverage. However, the Fund may become leveraged through the use of derivatives.  |
| Source of leverage including type                       | Derivatives are used predominantly to establish short positions in securities or market indices and thus reduce the Fund's net exposure to markets, and to hedge currencies. Derivatives may also be used to amplify high conviction ideas. The underlying value of derivatives may not exceed 100% of the NAV of the Fund.  |
| Maximum allowed level of leverage                       | The maximum allowable leverage in the Fund is 150% of the NAV of the Fund, that is, for every \$1 invested, the gross invested position of the Fund taking into account all securities and derivatives held, is limited to \$1.50. For the purposes of this calculation, the underlying effective face value of the derivatives is used. This limitation includes all positions and does not allow for netting of any offsetting positions, except in the case of currency derivatives (options, swaps and forwards) where the net position will be used.  |
| Impact of leverage on investment returns and losses     | The maximum allowable leverage with greatest impact on the Fund's returns would likely be where the Fund had a gross invested position of 150% long. In such a case, if the value of the Fund's securities (or the underlying securities of derivatives) increased in value by 10% (or, in the case of shorts, decreased in value by 10%), the increase in the Fund's value would be 15%. Conversely, a fall of 10% (rise of 10% in the case of shorts) in the value of the Fund's securities (or the underlying securities of derivatives) would result in a fall of the Fund's value of 15%.   |
| Assets used as collateral                               | Derivative positions may be collateralised with cash or securities of the Fund.  |
| <b>7 Derivatives</b>                                    | <b>Description</b>   |
| Purpose and rationale for the use of derivatives        | <p>The Fund will invest in derivatives:</p> <ul style="list-style-type: none"> <li>• for the purposes of risk management in order to either increase or decrease the Fund's exposure to markets and establish currency positions;</li> <li>• to amplify high conviction ideas and take opportunities that may increase the returns of the Fund;</li> <li>• with a view to reducing transaction and administrative costs (e.g. the use of an equity swap to establish a short position in a security);</li> <li>• to take up positions in securities that may otherwise not be readily accessible (e.g. access to a stock market where foreign investors face restrictions); and</li> <li>• to assist in the management of the Fund's cash flows (e.g. certain stock markets may require pre-funding of stock purchases that may be avoided through the use of derivatives).</li> </ul> |
| Types of derivatives used                               | The Fund may invest in exchange traded and OTC derivatives (including options, participatory notes, futures and swaps for equity, fixed income, currency, commodity and credit default exposures), currency forwards/contracts and related instruments.  |
| Criteria for engaging derivative counterparties         | <p>Derivatives counterparties are selected based on the following criteria:</p> <p>(a) an assessment of the background of the counterparty;</p> <p>(b) where applicable, the counterparty's credit rating;</p> <p>(c) whether an ISDA Master Agreement or other appropriate document is in place with that counterparty; and</p> <p>(d) any other criteria the Responsible Entity or the Investment Manager deems relevant in the context of the particular counterparty and market conditions.</p>  |
| Key risks associated with the collateral requirements   | Risks include the security being forfeited in the event of a default event of an agreement, or the credit risk of the counterparty. In the event the counterparty or clearer becomes insolvent at a time it holds collateral posted by the Fund, the Fund will be an unsecured creditor and will rank behind preferred creditors.  |
| <b>8 Short selling</b>                                  | <b>Description</b>   |
| Is short selling permitted?                             | Yes  |
| Rationale   | Antipodes may use derivative and currency positions where it sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk.  |
| Risks   | The short selling of a security, derivative or currency exposure may, but need not necessarily, involve a greater risk of investment than buying that same security, derivative or currency exposure. Short selling is designed to benefit portfolio value when markets are falling but may detract from portfolio value if markets rise. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, that is, via thorough research, daily reporting and ongoing monitoring of positions held.  |

| 9 Withdrawals                        | Description   |
|--------------------------------------|---|
| Significant risk factors/limitations | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests.</p> <p>Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with our normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p> |
| Changes to withdrawal rights         | <p>For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>   |



## Aspect Absolute Return (including Class A)

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | <p>Aspect takes a quantitative and systematic approach to investment management.</p> <p>Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. The fund aims to maximise diversification by spreading risk evenly across the uncorrelated investment themes; Momentum, Carry and Value, with no single theme dominating the return profile. The strategy employs a quantitative process to determine a view of the opportunities across the three investment styles. It has exposure to over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby exploiting a wide range of opportunities and maximising expected long-term risk-adjusted returns.</p>  |
| Asset classes   | <p>Cash and derivatives.</p> <p>The Fund operates with over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts such as cleared OTC interest rate and credit default swaps in more than 180 markets. These contracts are categorised into the following sectors:</p> <p>Agriculturals, bonds, credit, currencies, energies, metals, short-term interest rates and stock indices.</p> <p>The Fund accesses its exposure to certain derivative markets such as futures, cleared OTC interest rate and credit default swaps through a separate Cayman-domiciled trading vehicle. The purpose of this vehicle is to pool the Fund's investment with that of other Funds and trading vehicles managed by Aspect, in order to minimise the impact of the fixed costs of trading these markets.</p>   |
| Location and currency denomination of assets                    | <p><b>Location</b> – Global. Investment positions and the margin required for those positions are held at the clearers used by the Fund.</p> <p><b>Currency denomination</b> – Global. Excess cash is managed by Aspect's dedicated Treasury Team in accordance with the IMA and is split between an Australian dollar high interest at call account and an Australian dollar account with the fund Custodian. The Fund is exposed to foreign currency movements via its holdings in derivatives contracts.</p>  |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The strategy does not use leverage in the traditional sense of using actual financing from a prime broker or other sources in order to hold positions with a larger value than the Fund's net asset value. Instead, all positions are held in margin-funded derivatives (futures, currency forwards, cleared OTC interest rate and credit default swaps), and the Fund gains 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment.</p> <p><b>Derivatives and short selling</b> – Derivatives (futures, forwards, interest rate and credit default swaps) are used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the Fund's strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the Fund's net asset value. Leverage is not explicitly controlled but rather it is a by-product of the strategy implementation.</p> <p>The Fund can and does take short exposures however, short exposure is only obtained via derivative positions, so the Fund does not rely on being able to borrow securities in order to sell them short.</p> |
| Investment returns and assumptions                              | <p>Aspect's investment philosophy centres on the conviction that sustainable and diversifying performance can be generated in a wide range of liquid markets through the application of systematic strategies which are designed to exploit the aggregate behaviour of market participants. The actual strategies used vary, but the general philosophy is that every strategy is based upon a clear and rational hypothesis about market behaviour or the persistent drivers of such market behaviour.</p> <p>The Fund's strategy is an enhanced alternative risk premia programme, managed by Aspect's managed futures research team. Its objective is to capture, in a systematic fashion, a diverse set of enhanced alternative risk premia factors. It aims for strong risk-adjusted performance, targeting an annualised volatility of approximately 5-8%. Furthermore, it aims to perform as consistently as possible over time, regardless of the prevailing macro-economic environment.</p> <p>Aspect is committed to the continuing support and development of its risk premia models through a forward-looking and hypothesis-based research effort. This seeks to improve the quality of the models' returns and to ensure that the strategies adapt to the changing market and competitive environment.</p>   |
| Risk management strategy (key aspects)                          | <p>Please refer to the relevant offer document for important information on Fund risks.</p> <p>As required by Aspect's home regulator, risk management in its broadest sense is a key component of Aspect's systems and controls. Fund level risk management is carried out systematically within Aspect's investment processes.</p> <p>Portfolio level risk management is based around Aspect's Value at Risk (VaR) measure for the portfolio. A suite of risk limits and controls, including both VaR-based and exposure-based limits, are designed to ensure that the portfolio remains diversified at all times. The breakdown of risk between the individual sectors and contracts will vary depending on the opportunities identified by the risk premia models. Aspect seeks to ensure that the level of risk being taken by each component of the model is appropriate at all times, and to ensure that market risk management remains systematic under any conditions. More generally, Aspect seeks to ensure the rigorous monitoring and control of risk within the quantitative investment framework used by the strategy.</p> <p>Aspect's Investment Committee maintains continual oversight of this process (and the operation of the entire portfolio), and has a range of other risk tools and measures at its disposal including, but not limited to, scenario analysis.</p>   |
| Diversification guidelines and limits                           | <p>The strategy applies a risk parity approach to portfolio construction, which aims to maximise portfolio diversification by spreading risk evenly across the portfolio. The goal is to maximise diversification across the factors traded, by targeting an equal long-term risk contribution from each of the factors, while adjusting for factor breadth and factor confidence. Within each factor, the underlying strategies receive an equal risk target adjusted for market coverage and broad asset class type. By maintaining a comparatively small exposure to any individual market, the Fund seeks to achieve true sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term risk-adjusted returns.</p>   |

|   |  |
|---|--|
| Investment strategy changes   | <p>The Fund is managed by Aspect Capital Limited (Investment Manager) on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges.</p> <p>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.</p>   |
| <b>2 Investment manager</b>   | <b>Description</b>   |
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy) | <p>Aspect's Investment Committee (IC) is ultimately responsible for reviewing and approving all research leading to new or improved trading strategies, as well as for the ongoing monitoring of the Programme. The IC members are listed below. When it meets to review the performance of or new proposed research enhancements to the Programme, the relevant Portfolio Manager for the Programme will also attend.</p> <p><b>Anthony Todd – Chief Executive Officer</b></p> <p>Mr. Todd co-founded Aspect in September 1997 and is the Chief Executive Officer of Aspect. Mr. Todd chairs Aspect's Executive Board, which determines Aspect's overall corporate and strategic direction, chairs Aspect's Investment Committee and takes Board level responsibility for Risk Management. Before establishing Aspect, Mr. Todd worked for five years (from March 1992 to October 1997) at Adam, Harding and Lueck Limited (AHL) initially as Director of Financial Engineering and Product Development, before moving to Switzerland as Director of Marketing and Institutional Sales. Prior to this role, Mr. Todd was a strategy consultant at Mars &amp; Co., a Paris based consultancy, from September 1990 to March 1992. From July 1989 to July 1990, Mr. Todd studied at INSEAD in France, and from September 1982 to June 1989 he was with UBS, an international investment bank, in London as Assistant Director in the International Government Bond Group.</p> <p>Education: Mr. Todd holds a B.A. in Physics from Oxford University and an M.B.A from INSEAD in France.</p> <p><b>Martin Lueck – Research Director and President of Aspect Capital Inc.</b></p> <p>Mr. Lueck co-founded Aspect in September 1997. As Research Director, Mr. Lueck oversees the Research team responsible for generating and analysing fundamental research hypotheses for development of all Aspect's investment programmes. Mr Lueck is also a member of Aspect's Investment Committee. Prior to founding Aspect, Mr. Lueck was with Adam, Harding and Lueck Limited (AHL), which he co-founded in February 1987 with Michael Adam and David Harding. Man Group plc (a leading global provider of alternative investment products and solutions) completed the purchase of AHL in 1994 and Mr. Lueck left in 1996. At AHL, Mr. Lueck was instrumental in developing AHL's trading systems and approach to research as well as the proprietary software language that provided the platform for all of AHL's product engineering and implementation. From May 1996 through August 1997, Mr. Lueck was on gardening leave from AHL during which time he helped establish his wife's publishing business Barefoot Books. Mr. Lueck was a Director of Research at Brockham Securities Limited, a London based commodity trading advisor, from October 1984 to February 1987 and an executive in the Japanese Equity Sales department of Nomura International, a provider of financial services for individual, institutional, corporate, and government clients, from January to October 1984. Mr. Lueck serves on the Board of the National Futures Association.</p> <p>Education: MA in Physics from Oxford University and currently serves as Chair of the Oxford Physics Development Board.</p> <p><b>Christopher Reeve, Director of Risk</b></p> <p>Christopher Reeve is Aspect Capital's Director of Risk. In this role, he takes responsibility for all investment risks associated with Aspect's portfolios, focusing on the review of all new research and strategies. He is a member of the Investment Committee, which provides oversight of the performance and risks of all strategies and approval for any change to any Aspect investment programme. He also coordinates the company's product design processes, ensuring that Aspect's investment strategy capabilities are assembled into coherent investment products which fit investor needs. This includes working closely with all of Aspect's different research and portfolio management teams to customise products and mandates, as well as working with Aspect's global client base to understand their requirements and ensure they have full transparency into Aspect's strategies. Christopher joined Aspect in January 2005 as a member of the Research Team, focusing on the risk reviews of new investment strategy research. He then became a member of what is now the Investment Solutions Team in 2006, Head of Investment Solutions in February 2014 and Director of Investment Solutions in May 2015. He was appointed to his current role in September 2018. Christopher holds a first class Masters degree in Chemistry from the University of Oxford. Christopher previously served in the British Army as a second lieutenant in the Welsh Guards, commanding an infantry platoon on training and ceremonial duties.</p> |
| Termination of investment management agreement (IMA)  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>   |

| 3 Fund structure   | Description  |                             |        |                              |        |      |        |
|--|--|-----------------------------|--------|------------------------------|--------|------|--------|
| Investment structure   | <p>The fund is a managed investment scheme registered with the ASIC.</p>   |                             |        |                              |        |      |        |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Aspect Capital Limited is the appointed Investment Manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> The appointed Custodian is Citibank, N.A., Hong Kong branch.</p>   |                             |        |                              |        |      |        |
| Monitoring service providers   | <p><b>Investment Manager:</b> Aspect Capital Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank, N.A., Hong Kong branch – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p>   |                             |        |                              |        |      |        |
| Fees and costs payable to the Responsible Entity and Investment Manager  | <p>The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.</p>  |                             |        |                              |        |      |        |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investments Limited – Australia<br/> Aspect Capital Limited – United Kingdom<br/> KPMG – Australia<br/> Citibank, N.A., Hong Kong branch – Hong Kong</p>   |                             |        |                              |        |      |        |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Custodian/Prime Broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p>  |                             |        |                              |        |      |        |
| 4 Valuation, location and custody of assets  |  |                             |        |                              |        |      |        |
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |                             |        |                              |        |      |        |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)                        | <table border="1"> <tr> <td>Exchange-traded derivatives</td> <td>0–100%</td> </tr> <tr> <td>Over-the-counter derivatives</td> <td>0–100%</td> </tr> <tr> <td>Cash</td> <td>0–100%</td> </tr> </table>  | Exchange-traded derivatives | 0–100% | Over-the-counter derivatives | 0–100% | Cash | 0–100% |
| Exchange-traded derivatives  | 0–100%   |                             |        |                              |        |      |        |
| Over-the-counter derivatives   | 0–100%   |                             |        |                              |        |      |        |
| Cash   | 0–100%   |                             |        |                              |        |      |        |
| Custodian arrangements   | <p>A professional custodian, (Citibank N.A. Hong Kong branch) holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>  |                             |        |                              |        |      |        |
| Geographic location of assets or material assets   | <p>The assets of the Fund are held by the Custodian around the world.</p>  |                             |        |                              |        |      |        |

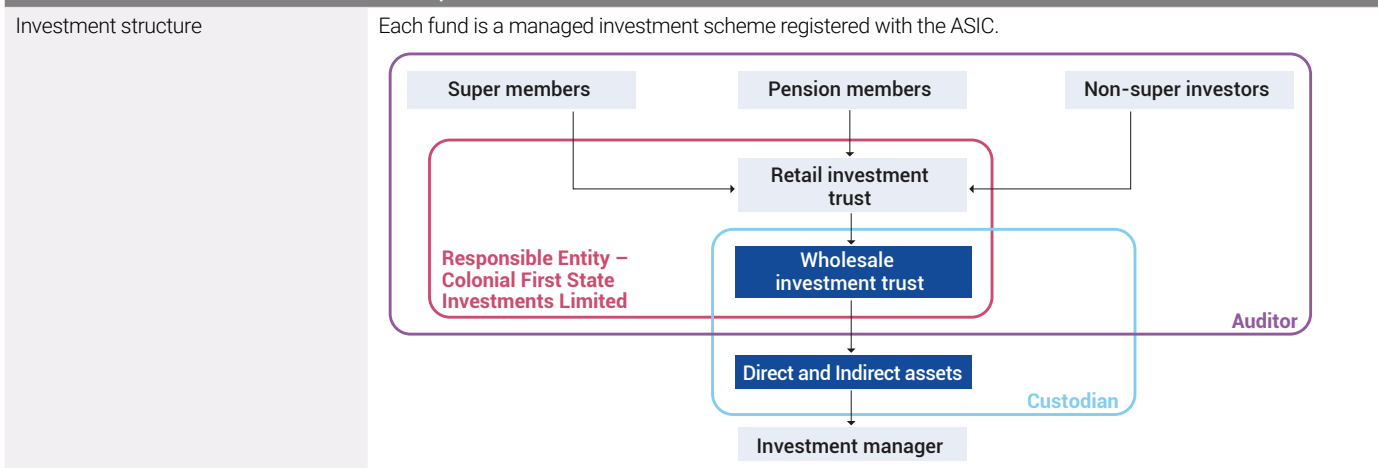
| 5 Liquidity   | Description  |
|---|--|
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |
| 6 Leverage  | Description  |
| Use of leverage and restrictions on the use of leverage | See page 7, Section 1 Investment strategy – Role of leverage, derivatives and short selling.   |
| Source of leverage including type                       | The Fund is leveraged using derivatives (exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps). See Section 7 below.   |
| Maximum allowed level of leverage                       | The Fund does not target a fixed level of leverage. However, it is anticipated that the Fund will be managed at a gross leverage typically in the range of \$1 to a maximum of \$10.5 per \$1 of net asset value or 100% to 1050% of net asset value and has averaged between \$5 and \$6 or 500% to 600% of the net asset value over the history of the Fund's strategy.  |
| Impact of leverage on investment returns and losses     | <p>Derivatives are used to establish the market exposure of the Fund. The face value of the Fund's combined long and short positions will frequently be greater than 100% of the Fund's net asset value and as a result, the option will be leveraged.</p> <p>The Fund's maximum anticipated leverage is 10.5 times (10.5x) the Fund's net asset value. If in a year an unleveraged (1x leverage) investment were to return 1%, a 10.5x leveraged investment would return 10.5%.</p> <p>If in a year an unleveraged (1x leverage) investment were to return -1%, a 10.5x leveraged investment would return -10.5%.</p>   |
| Assets used as collateral                               | Cash is posted as margin at the clearers.  |
| 7 Derivatives   | Description  |
| Purpose and rationale for the use of derivatives        | <p>The Fund uses derivatives to implement the investment strategy.</p> <p>See page 7, Section 1 Investment strategy.</p>   |
| Types of derivatives used                               | Exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps.  |
| Criteria for engaging derivative counterparties         | <p>Aspect performs varied and in-depth due diligence on all executing brokers prior to their appointment. This process includes business and operational due diligence, financial and reputational due diligence and business continuity due diligence. This analysis may include but is not limited to requesting due diligence questionnaires to be completed, conducting interviews and site visits and financial investigations. Counterparties are ultimately selected on the basis of their capabilities and the quality of service which they provide. Additionally, Aspect's specific considerations in appointing executing brokers include coverage, flow of information, efficiency and accuracy of execution and specialist knowledge of the instruments traded by the strategy.</p> <p>Specifically for the Fund, the clearing brokers, custodian and auditor are evaluated and selected by Colonial First State.</p> <p>Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above. Executed ISDA documentation must be in place between the Investment Manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.</p> |
| Key risks associated with the collateral requirements   | Counterparty risk is the key risk associated with the collateral requirements of the Fund. Aspect, on behalf of Colonial First State, executes transactions exclusively via highly creditworthy counterparties, clearing agents and exchanges in the execution and management of the Fund's positions. Counterparty risk is monitored on a regular basis by a committee which reports to Aspect's Executive Board, while other safeguards are in place which involves having multiple clearers for the Fund and having the flexibility to react appropriately if needed. Please refer to the relevant offer document for additional information on Fund risks.   |
| 8 Short selling   | Description  |
| Is short selling permitted?                             | No.  |
| Rationale   | Not applicable as the Fund does not short sell.  |
| Risks   | Not applicable as the Fund does not short sell.  |
| 9 Withdrawals   | Description  |
| Significant risk factors/limitations                    | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p>   |
| Changes to withdrawal rights                            | <p>For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |

## Aspect Diversified Futures (including Class A)

| 1 Investment strategy   | Description   |
|---|---|
| Investment strategy   | <p>Aspect takes a quantitative and systematic approach to investment management. Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. Aspect's trend-following systems have exposure to over 230 of the most liquid global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative contracts. These trend-following systems employ a quantitative process to collect, process and analyse market data in order for the model to determine a view of the trend-following opportunities in each market in the portfolio. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term risk-adjusted returns. The Fund aims to minimise unintentional currency exposure.</p>  |
| Asset classes   | <p>Cash, futures and forwards.</p> <p>The Fund operates with over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts such as cleared OTC interest rate and credit default swaps in more than 180 markets. These contracts are categorised into the following sectors:</p> <p>Agriculturals, bonds, credit, currencies, energies, metals, short-term interest rates and stock indices.</p> <p>The Fund accesses its exposure to certain derivative markets such as futures, cleared OTC interest rate and credit default swaps through a separate Cayman-domiciled trading vehicle. The purpose of this vehicle is to pool the Fund's investment with that of other Funds and trading vehicles managed by Aspect, in order to minimise the impact of the fixed costs of trading these markets.</p>  |
| Location and currency denomination of assets                    | <p><b>Location</b> – Global. Investment positions and the margin required for those positions are held at the clearers used by the Fund.</p> <p><b>Currency denomination</b> – Global. Excess cash is managed by Aspect's dedicated Treasury Team in accordance with the IMA and is split between an Australian dollar high interest at call account and an Australian dollar account with the fund Custodian. The Fund is exposed to foreign currency movements via its holdings in futures contracts.</p>   |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The strategy does not use leverage in the traditional sense of using actual financing from a prime broker or other sources in order to hold positions with a larger value than the Fund's net asset value. Instead, all positions are held in margin-funded derivatives (futures, currency forwards, cleared interest rate and credit default swaps), and the Fund gains 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment.</p> <p><b>Derivatives and short selling</b> – Derivatives (futures, currency forwards and cleared interest rate and credit default swaps) are used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the Fund strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the Fund's net asset value. Leverage is not explicitly controlled but rather it is a by-product of the strategy implementation.</p> <p>The Fund can and does take short exposures however, short exposure is only obtained derivative positions, so the Fund does not rely on being able to borrow securities in order to sell them short.</p>  |
| Investment returns and assumptions                              | <p>Aspect's investment philosophy centers on the conviction that sustainable and diversifying performance can be generated in a wide range of liquid markets through the application of systematic strategies which are designed to exploit the aggregate behaviour of market participants. The actual strategies used vary, but the general philosophy is that every strategy is based upon a clear and rational hypothesis about market behaviour or the persistent drivers of such market behaviour.</p> <p>The Fund's strategy has historically performed well in a wide variety of market environments, in part due to its ability to equally exploit upward and downward trends across a wide range of different asset classes.</p> <p>The predominant driver of the investment strategy is momentum, enhanced by a range of other more fundamental modulations. The strategy does not attempt to forecast when trends will occur or in which asset classes, and so can perform well in any market environment where there are identifiable price trends, whether upwards or downwards. The strategy has a variable but near-zero correlation to traditional asset classes over the long term and so its ability to generate performance is not constantly related to the broad moves in these asset classes. Furthermore, the strategy is designed to take small and diversified positions across all of the markets in the portfolio rather than large positions in a few assets. This means that it will perform best where broad trends can be identified in multiple markets and where these trends are persistent in nature.</p> <p>The market environments in which the Fund strategy and managed futures strategies generally tend to struggle include prolonged periods of directionless markets, which imply limited opportunities for the strategy (most specifically to the extent that these occur across multiple markets simultaneously).</p> <p>The strategy is able to maintain relatively stable positioning so that it does not suffer from over-trading during such conditions. Sharp and correlated reversals in trends across many markets are also a difficult scenario for the strategy but are often the precursors of new trends and are often transient in nature.</p> <p>Aspect's many years of research have led to the development of a number of techniques that can mitigate some of these effects.</p> |
| Risk management strategy (key aspects)                          | <p>Please refer to the relevant offer document for important information on Fund risks.</p> <p>As required by Aspect's home regulator, risk management in its broadest sense is a key component of Aspect's systems and controls.</p> <p>Fund level risk management is carried out systematically within the investment process by Aspect's dynamic risk allocation system. This process primarily uses Aspect's Value at Risk (VaR) measure as its main input to control and at times constrain risk at a number of levels within the portfolio, including the individual strategy, market, sector and overall portfolio levels. The process is designed to take a holistic approach to risk management: each individual component of the strategy has its risk levels managed in the manner that is most appropriate for it and will get the most out of that component. While VaR is the main measure used by the risk management systems, it is supplemented by a range of non-VaR-based limits that seek to ensure the portfolio remains diversified, liquid and is using its allocated risk effectively.</p> <p>Aspect's Investment Committee maintains continual oversight of this process (and the operation of the entire portfolio), and has a range of other risk tools and measures at its disposal including, but not limited to, scenario analysis.</p>   |

|   |   |
|---|---|
| Diversification guidelines and limits   | <p>The Fund's diversification is a core principle that permeates throughout the investment process. The Fund is constructed with no sector or contract 'bias'. A long-term risk budget is established for each of the eight sectors with a view to ensuring long-term diversification in the Fund. The emphasis is on the structuring of a genuinely diversified set of sector risk allocations that is designed to maximise the probability of consistent returns wherever profit opportunities appear.</p> <p>Allocations of 'risk budget' to individual contracts within each sector are also established with the aim of maximising long-term diversification, taking into account correlations and the liquidity of contracts. Nevertheless, the strategy's actual commitment to different sectors and contracts will usually deviate from the allocated long-term risk budgets. Although constrained by risk allocations and portfolio constraints, actual positions will vary depending on the extent of opportunities in each sector and contract, as identified by the model.</p>  |
| Investment strategy changes   | <p>The Fund is managed by Aspect Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.</p>  |
| <b>2 Investment manager</b>   | <b>Description</b>  |
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy) | <p>The Responsible Entity has appointed the Investment Manager to manage the Fund's assets in line with a similar pooled strategy that is also managed by the Investment Manager. Aspect's Investment Committee (IC) is ultimately responsible for reviewing and approving all research leading to new or improved trading strategies, as well as for the ongoing monitoring of the Programme. The IC members are listed below. When it meets to review the performance of or new proposed research enhancements to the Programme, the relevant Portfolio Manager for the Programme will also attend.</p> <p><b>Anthony Todd, Chief Executive Officer</b></p> <p>Mr. Todd co-founded Aspect in September 1997 and is the Chief Executive Officer of Aspect. Mr. Todd chairs Aspect's Executive Board, which determines Aspect's overall corporate and strategic direction, chairs Aspect's Investment Committee and takes Board level responsibility for Risk Management. Before establishing Aspect, Mr. Todd worked for five years (from March 1992 to October 1997) at Adam, Harding and Lueck Limited (AHL) initially as Director of Financial Engineering and Product Development, before moving to Switzerland as Director of Marketing and Institutional Sales. Prior to this role, Mr. Todd was a strategy consultant at Mars &amp; Co., a Paris based consultancy, from September 1990 to March 1992. From July 1989 to July 1990, Mr. Todd studied at INSEAD in France, and from September 1982 to June 1989 he was with UBS, an international investment bank, in London as Assistant Director in the International Government Bond Group.</p> <p>Education: Mr. Todd holds a BA in Physics from Oxford University and an MBA from INSEAD in France.</p> <p><b>Martin Lueck, Research Director and President of Aspect Capital Inc.</b></p> <p>Mr. Lueck co-founded Aspect in September 1997. As Research Director, Mr. Lueck oversees the Research team responsible for generating and analysing fundamental research hypotheses for development of all Aspect's investment programmes. Mr Lueck is also a member of Aspect's Investment Committee. Prior to founding Aspect, Mr. Lueck was with Adam, Harding and Lueck Limited (AHL), which he co-founded in February 1987 with Michael Adam and David Harding. Man Group plc (a leading global provider of alternative investment products and solutions) completed the purchase of AHL in 1994 and Mr. Lueck left in 1996. At AHL, Mr. Lueck was instrumental in developing AHL's trading systems and approach to research as well as the proprietary software language that provided the platform for all of AHL's product engineering and implementation. From May 1996 through August 1997, Mr. Lueck was on gardening leave from AHL during which time he helped establish his wife's publishing business Barefoot Books. Mr. Lueck was a Director of Research at Brockham Securities Limited, a London based commodity trading advisor, from October 1984 to February 1987 and an executive in the Japanese Equity Sales department of Nomura International, a provider of financial services for individual, institutional, corporate, and government clients, from January to October 1984. Mr. Lueck serves on the Board of the National Futures Association.</p> <p>Education: MA in Physics from Oxford University and currently serves as Chair of the Oxford Physics Development Board.</p> <p><b>Christopher Reeve, Director of Risk</b></p> <p>Christopher Reeve is Aspect Capital's Director of Risk. In this role, he takes responsibility for all investment risks associated with Aspect's portfolios, focusing on the review of all new research and strategies. He is a member of the Investment Committee, which provides oversight of the performance and risks of all strategies and approval for any change to any Aspect investment programme. He also coordinates the company's product design processes, ensuring that Aspect's investment strategy capabilities are assembled into coherent investment products which fit investor needs. This includes working closely with all of Aspect's different research and portfolio management teams to customise products and mandates, as well as working with Aspect's global client base to understand their requirements and ensure they have full transparency into Aspect's strategies. Christopher joined Aspect in January 2005 as a member of the Research Team, focusing on the risk reviews of new investment strategy research. He then became a member of what is now the Investment Solutions Team in 2006, Head of Investment Solutions in February 2014 and Director of Investment Solutions in May 2015. He was appointed to his current role in September 2018. Christopher holds a first class Masters degree in Chemistry from the University of Oxford. Christopher previously served in the British Army as a second lieutenant in the Welsh Guards, commanding an infantry platoon on training and ceremonial duties.</p> |
| Termination of investment management agreement (IMA)  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>  |

| 3 Fund structure | Description |
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| Key service providers | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Aspect Capital Limited is the appointed Investment Manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> The appointed Custodian is Citibank, N.A., Hong Kong branch.</p> |
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| Monitoring service providers | <p><b>Investment Manager:</b> Aspect Capital Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank, N.A., Hong Kong branch – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p> |
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| Fees and costs payable to the Responsible Entity and Investment Manager | The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in. |
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| Jurisdiction of entities involved in the fund structure | <p>Colonial First State Investments Limited – Australia</p> <p>Aspect Capital Limited – United Kingdom</p> <p>KPMG – Australia</p> <p>Citibank, N.A., Hong Kong branch – Hong Kong</p> |
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| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Custodian/Prime Broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p> |
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| 4 Valuation, location and custody of assets |
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| Valuation policy | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |
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| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value) | Exchange-traded derivatives  | 0–100% |
|   | Over-the-counter derivatives | 0–100% |
|   | Cash                         | 0–100% |

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| Custodian arrangements | <p>A professional custodian, (Citibank N.A., Hong Kong branch) holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul> |
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| Geographic location of assets or material assets | The assets of the Fund are held by the Custodian around the world. |
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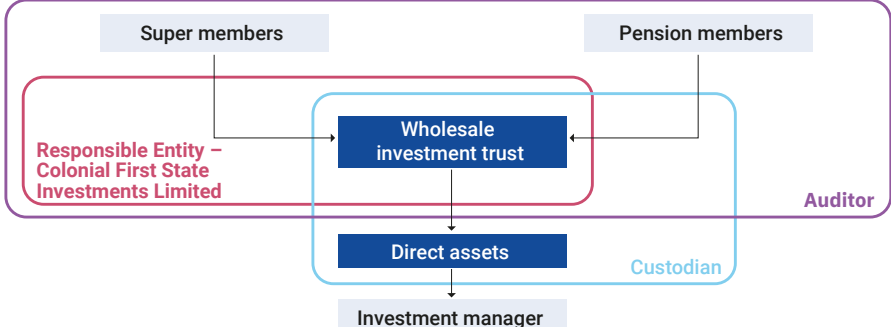
| 5 Liquidity   | Description  |
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| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |
| 6 Leverage  | Description  |
| Use of leverage and restrictions on the use of leverage | See page 11, Section 1 Investment strategy – Role of leverage, derivatives and short selling.  |
| Source of leverage including type                       | The Fund is leveraged using derivatives (exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps). See Section 7 below.   |
| Maximum allowed level of leverage                       | The Fund does not target a fixed level of leverage. However, it is anticipated that the Fund will be managed at a gross leverage typically in the range of \$1 to a maximum of \$13 per \$1 of net asset value or 100% to 1300% of net asset value and has averaged between \$5 and \$6 or 500% to 600% of the net asset value over the history of the Fund's strategy.  |
| Impact of leverage on investment returns and losses     | <p>Derivatives are used to establish the market exposure of the Fund. The face value of the Fund's combined long and short positions will frequently be greater than 100% of the Fund's net asset value and as a result, the Fund will be leveraged.</p> <p>The Fund's maximum anticipated leverage is 13 times (13x) the Fund's net asset value. If in a year an unleveraged (1x leverage) investment were to return 1%, a 13x leveraged investment would return 13%. If in a year an unleveraged (1x leverage) investment were to return -1%, a 13x leveraged investment would return -13%.</p>  |
| Assets used as collateral                               | Cash is posted as margin at the futures clearers.  |
| 7 Derivatives   | Description  |
| Purpose and rationale for the use of derivatives        | <p>The Fund uses derivatives to implement the investment strategy.</p> <p>See page 11, Section 1 Investment strategy.</p>  |
| Types of derivatives used                               | Exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps.  |
| Criteria for engaging derivative counterparties         | <p>Aspect performs varied and in-depth due diligence on all executing brokers prior to their appointment. This process includes business and operational due diligence, financial and reputational due diligence and business continuity due diligence. This analysis may include but is not limited to requesting due diligence questionnaires to be completed, conducting interviews and site visits and financial investigations. Counterparties are ultimately selected on the basis of their capabilities and the quality of service which they provide. Additionally, Aspect's specific considerations in appointing executing brokers include coverage, flow of information, efficiency and accuracy of execution and specialist knowledge of the instruments traded by the strategy.</p> <p>Specifically for the Fund, the clearing brokers, custodian and auditor are evaluated and selected by Colonial First State.</p> <p>Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above. Executed ISDA documentation must be in place between the Investment Manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.</p> |
| Key risks associated with the collateral requirements   | Counterparty risk is the key risk associated with the collateral requirements of the Fund. Aspect, on behalf of Colonial First State, executes transactions exclusively via highly creditworthy counterparties, clearing agents and exchanges in the execution and management of the Fund's positions. Counterparty risk is monitored on a regular basis by a committee which reports to Aspect's Executive Board, while other safeguards are in place which involves having multiple clearers for the Fund and having the flexibility to react appropriately if needed. Please refer to the relevant offer document for additional information on Fund risks.   |
| 8 Short selling   | Description  |
| Is short selling permitted?                             | No.  |
| Rationale   | Not applicable as the Fund does not short sell.  |
| Risks   | Not applicable as the Fund does not short sell.  |
| 9 Withdrawals   | Description  |
| Significant risk factors/limitations                    | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p>   |
| Changes to withdrawal rights                            | <p>For up to date information on your account, visit our website <a href="https://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>   |



## Brandywine Global Income Optimiser

| 1 Investment strategy   | Description   |
|---|---|
| Investment strategy   | <p>The strategy seeks to balance income with the pursuit of total return based on the prevailing market environment. It leverages Brandywine's fundamental research and top-down macroeconomic analysis.</p> <p>The Fund aims to provide an attractive and stable income by investing across diverse sources of income in global fixed income markets. It seeks the best global income opportunities, with a strong focus on protecting capital. The Fund seeks to limit downside risk by rotating risk across different sectors of the fixed income market and through tactical hedging of credit and interest rate risk.</p> <p>The Fund may employ a long/short investment strategy, which can generate returns by owning securities that the Brandywine expects will rise in value (long) and at the same time the option can sell (short) securities that are expected to decrease in value. The Fund will not directly short securities, but instead will hold any short positions exclusively through financial derivative instruments. By using a value-oriented, global investing approach, Brandywine Global seeks to maximise the Fund's income through country, currency, sector, quality and security selection.</p> <p>The Fund aims to be at least 85% hedged to Australian dollars.</p>   |
| Asset classes   | Global fixed income, Structured Credits (mortgage-backed and asset-backed securities); Bank Loans; cash and short-term instruments; and derivatives (forwards, futures, options and swaps).   |
| Location and currency denomination of assets                    | <p><b>Location</b> – Global. The Fund has exposure to global bond markets, including developed countries and emerging market countries.</p> <p><b>Currency denomination</b> – Global. The Fund will have exposure to investments denominated in currencies other than Australian dollars. The Fund employs an active currency strategy and forms a significant part of the overall investment strategy. In order to reduce currency risk for Australian investors the Fund will typically be at least 85% hedged to the Australian Dollar.</p>  |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – The Fund will not be exposed to 'financial leverage' (borrowing to purchase assets); however, the Fund may be exposed to a form of 'economic leverage' via the use of derivatives. Economic Leverage is the use of various financial instruments to increase the potential return of an investment.</p> <p><b>Derivatives</b> – The Fund may invest in certain types of financial derivative instruments whether for investment purposes or the purposes of efficient portfolio management. The Fund may also use derivatives to leverage the Fund's Net Asset Value. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within a portfolio.</p> <p><b>Short selling</b> – The Fund can hold short positions on individual debt securities, indices, currencies and/or interest rates. The Fund will not directly short securities, but instead will hold any short positions exclusively through financial derivative instruments. The Fund may employ a long/short investment strategy, which can generate returns by owning securities that the manager expects will rise in value (long) and at the same time the fund can sell (short) securities that are expected to decrease in value.</p>  |
| Investment returns and assumptions                              | <p>The Fund's investment objective is to seek to generate a high and consistent level of income in all market conditions over a full market cycle with a secondary objective of capital preservation. The Fund aims to outperform the Bloomberg AusBond Bank Bill index over rolling five year periods, before fees and taxes.</p> <p>A key dependency in the Fund meeting its investment strategy is the performance of capital markets and the investment decisions of the Investment Team.</p>   |
| Risk management strategy (key aspects)                          | <p>The strategy is responsive and risk focused, actively rotating exposures among countries, sectors, and securities that offer compelling value with a margin of safety. This margin-of-safety approach seeks to provide attractive risk-adjusted returns, minimize downside volatility, and reduce correlations to core investments and macro risks. The investment team is intentionally cognizant of diversification within the strategy, which tends to produce low correlations, both among countries and sectors within the strategy and to core fixed income investments. The Investment Team maintains disciplined management controls with robust and independent risk management processes and compliance systems and practices.</p> <p>The Global Fixed Income team is supported by the Enterprise Risk Management team which functions as a separate department. The Enterprise Risk Management department interacts with the investment and trading functions on a frequent and often daily basis in supporting the efforts around market and credit risk. Enterprise Risk Management furnishes position, currency and counterparty reports and information utilised by the investment team in an effort to monitor exposures relative to limitations in the investment mandate or on a firm-wide basis. Additionally, Enterprise Risk Management works with the portfolio management teams on an ongoing basis to manage Operational Risk by working to implement independent controls, segregating responsibilities, and implementing proper policies and procedures.</p> |

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| Diversification guidelines and limits   | <p><b>Diversification:</b></p> <ul style="list-style-type: none"> <li>• The Fund may invest 0-30% in cash and cash equivalents.</li> <li>• The Fund may invest 0-100% in fixed income securities issued or guaranteed by sovereign, state, provincial, regional governments (including US Municipal Bonds), supranational bonds or agencies.</li> <li>• The Fund will have a maximum of 75% invested in high yield debt.</li> <li>• The Fund will have a maximum of 50% invested in emerging market debt.</li> <li>• Investment Grade debt may range from 0 -100% of the Fund.</li> <li>• Asset Backed and mortgage-backed securities, collateralized loan obligations/Collateralized debt obligations, interest only bonds, to be announced securities and contingent convertible bonds will not exceed 25% of the Fund in aggregate.</li> <li>• Hybrid and Convertible securities will not exceed 15% of the Fund.</li> <li>• No more than 5% of the Fund shall be invested in any one non-sovereign issue.</li> <li>• Securities of companies of any one industry will not exceed 35% of the Fund.</li> <li>• No more than 15% of the Fund will be invested in Bank Loans.</li> <li>• No more than 10% of the Fund will be invested in Inflation Linked Bonds.</li> <li>• No more than 25% of the Fund will be invested in Sinking Bonds.</li> <li>• The fund is permitted to hold up to 5% in convertible notes.</li> <li>• The Fund may employ economic leverage via the use of derivatives. The Fund may be leveraged by the use of derivatives up to 200% of the Fund's net asset value.</li> <li>• The average duration of the Fund's investments will range between 0 and +10 years.</li> <li>• The sum of the Fund's active net long currency exposures shall not exceed 15% of the Fund. The sum of the Fund's active net short currency exposures shall not exceed -15% of the Fund. The sum of the gross active currency exposures (other than Australian dollar) shall not exceed 30% of the Fund.</li> </ul>   |
| Investment strategy changes   | <p>The Fund is managed by Brandywine Global Investment Management LLC on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments, and investment ranges.</p> <p>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.</p>   |
| <b>2 Investment manager</b>   | <b>Description</b>  |
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy) | <p>Overall, Brandywine Global's total Global Fixed Income research effort is comprised of seven portfolio managers, three associate portfolio managers, 15 analysts, one director of global macro research, and nine traders and portfolio implementation specialists. Firm-wide research has been organised by generalist coverage, a structure that distinguishes Brandywine Global from its competitors. It places a macroeconomic focus on identifying and concentrating investments in significantly undervalued countries and currencies.</p> <p>The key decision makers in relation to the Fund are:</p> <p><b>Brian L Kloss, JD, CPA, Portfolio Manager</b><br/> Brian joined Brandywine Global in December 2009 and has 24 years of Fixed Income and distressed debt experience. Previously, Brian was Co-portfolio manager at Dreman Value Management, LLC (2007-2009); High Yield analyst/trader at Gartmore Global Investments (2002-2007); High Yield and equity portfolio manager and general analyst at Penn Capital Management, Ltd. (2000- 2002); an analyst with The Concord Advisory Group, Ltd. (1998-2000); and an international tax consultant with Deloitte &amp; Touche LLP (1995-1998).</p> <hr/> <p><b>Jack P. McIntyre, CFA, Portfolio Manager</b><br/> Jack is a Portfolio Manager for the firm's Global Fixed Income and related strategies and has 33 years of investment experience. He joined the firm in 1998. Previously, he held positions as market strategist with McCarthy, Crisanti &amp; Maffei, Inc. (1995-1998); senior fixed income analyst with Technical Data, a division of Thomson Financial Services (1992-1995); quantitative associate with Brown Brothers Harriman &amp; Co. (1990), and investment analyst with the Public Employee Retirement Administration of Massachusetts (1987-1989). Jack is a CFA® charterholder and earned an MBA in Finance from the Leonard N. Stern Graduate School of Business at New York University and a BBA in Finance from the University of Massachusetts, Amherst.</p> <hr/> <p><b>Anujeet Sareen, CFA, Portfolio Manager</b><br/> Anujeet is a Portfolio Manager for the firm's Global Fixed Income and related strategies. Prior to joining the firm in 2016, Anujeet was a managing director of global fixed income and a global macro strategist, as well as chair of the Currency Strategy Group at Wellington Management in Boston. Over his 22-year career at Wellington (1994-2016), he held a variety of roles while cultivating extensive fixed income and currency management experience. Anujeet is a CFA® charterholder and earned a B.A. in Computer Science from Brown University.</p> <hr/> <p><b>Tracy Chen, CFA, CAIA, Portfolio Manager</b><br/> Tracy Chen is a Portfolio Manager on the Global Fixed Income team. She leads global structured credit investing and seeks the most attractive value in the global structured credit market, including investments in U.S. RMBS, CMBS, ABS, CLO, European ABS and other structured products. She joined the firm in August 2008. Prior to joining Brandywine Global, she was with UBS Investment Bank as Director of Structured Products, GMAC Mortgage Group (focusing on mortgage whole loan pricing and trading), and Deloitte Consulting. Tracy earned her MBA with a concentration in Finance from the University of North Carolina at Chapel Hill. She also holds an M.A. in American Studies and a B.A. from University of Electronic Science &amp; Technology of China. Tracy is a CFA® charterholder and a CAIA charterholder. Tracy's research on structured products was published in the Journal of Structured Finance in 2007, 2017, 2018 and 2019.</p> |

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|  | <p><b>Michael Arno, CFA, Associate Portfolio Manager/Senior Research Analyst</b><br/> Mike is an associate portfolio manager and senior research analyst on the Global Fixed Income team. He is responsible for providing research analysis and portfolio management on the firm's emerging market fixed income related strategies. Prior to this he had been a research analyst on the team since 2011 with a focus on global credit and emerging markets. Mike joined Brandywine Global as a product specialist within client service in 2006. Prior to joining Brandywine Global in 2006, Mike was an associate for the Vanguard Group (2004-2006). A CFA® charterholder, he earned a B.S. in Finance from Temple University.</p> <p><b>Renato Latini, CFA, Associate Portfolio Manager/Senior Research Analyst</b><br/> Renato is an associate portfolio manager and senior research analyst on the Global Credit team. He is responsible for providing global macro analysis, credit research and portfolio management decisions. Renato joined Brandywine Global in 2006 as a trader for the firm's Global Fixed Income and related strategies. Prior to joining Brandywine Global in 2006, Renato was an investment analyst at Watson Wyatt Investment Consulting (2004-2006). He is a CFA® charterholder and earned a B.A. in Physics and Economics from the University of Pennsylvania.</p> |
| Termination of investment management agreement (IMA)   | The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.  |
| <b>3 Fund structure</b>  |  |
| Investment structure   |  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     AUD[Auditor] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     C[Custodian] --&gt; DA   </pre>   |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Franklin Templeton Australia Limited is the appointed investment manager and has delegated investment management of this mandate to Brandywine Global Investment Management LLC to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) is appointed as the Custodian to hold the assets of the Fund.</p>   |
| Monitoring service providers   | <p><b>Investment Manager:</b> Franklin Templeton Australia Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts and periodic on-site due diligence visits.</p>   |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.   |
| Jurisdiction of entities involved in the fund structure  | Colonial First State Investments Limited – Australia<br>Brandywine Global Investment Management LLC – United States<br>Franklin Templeton Australia Limited – Australia<br>KPMG – Australia<br>Citibank NA (Hong Kong) – Hong Kong   |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | Fund assets are held in each Fund's respective Custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.  |

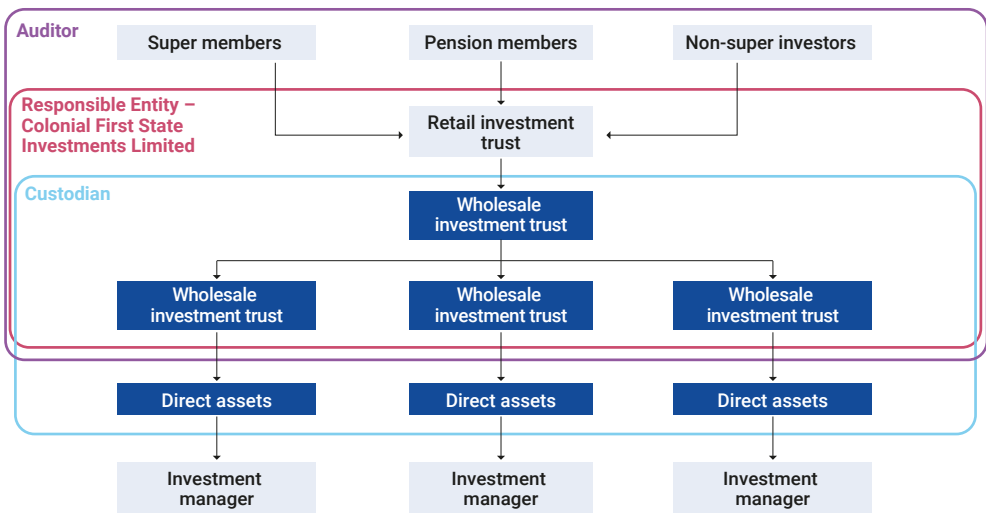
#### 4 Valuation, location and custody of assets

| Valuation policy  | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p>  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
|---|---|------------------|------------------------|---------------------------|-------|-----------------------|--------|-------------------|-------|----------------------|-------|-------------------------------|--------|--------------------------------------|-------|---------|-------|-------------|--------|
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value) | <table border="1"> <thead> <tr> <th>Asset class name</th> <th>Asset allocation range</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>0-30%</td> </tr> <tr> <td>Government securities</td> <td>0-100%</td> </tr> <tr> <td>Global high yield</td> <td>0-75%</td> </tr> <tr> <td>Emerging market debt</td> <td>0-50%</td> </tr> <tr> <td>Investment grade fixed income</td> <td>0-100%</td> </tr> <tr> <td>Mortgage and asset backed securities</td> <td>0-25%</td> </tr> <tr> <td>Hybrids</td> <td>0-15%</td> </tr> <tr> <td>Derivatives</td> <td>0-200%</td> </tr> </tbody> </table>   | Asset class name | Asset allocation range | Cash and cash equivalents | 0-30% | Government securities | 0-100% | Global high yield | 0-75% | Emerging market debt | 0-50% | Investment grade fixed income | 0-100% | Mortgage and asset backed securities | 0-25% | Hybrids | 0-15% | Derivatives | 0-200% |
| Asset class name  | Asset allocation range  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Cash and cash equivalents   | 0-30%   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Government securities   | 0-100%  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Global high yield   | 0-75%   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Emerging market debt  | 0-50%   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Investment grade fixed income   | 0-100%  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Mortgage and asset backed securities  | 0-25%   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Hybrids   | 0-15%   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Derivatives   | 0-200%  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Custodian arrangements  | A professional custodian, Citibank NA (Hong Kong) hold the assets of the Fund.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Geographic location of assets or material assets  | The assets of the Fund are held by the Custodian around the world.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| <b>5 Liquidity</b>  | <b>Description</b>  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| <b>6 Leverage</b>   | <b>Description</b>  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Use of leverage and restrictions on the use of leverage                                     | The Fund may be exposed to economic leverage via the use of derivatives. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within a portfolio. The portfolio may be leveraged up to 200% of the Portfolio's Net Asset Value.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Source of leverage including type   | Options, futures and swap contracts.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Maximum allowed level of leverage   | The Fund may be leveraged up to 200% of the Fund's Net Asset Value in normal market conditions, with potentially all or a significant portion of such exposure being generated by short positions.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Impact of leverage on investment returns and losses   | Some derivatives are leveraged and therefore may magnify or otherwise increase investment losses to the Fund.   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Assets used as collateral   | Derivative positions are collateralised with cash, however securities may be used in some instances.  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| <b>7 Derivatives</b>  | <b>Description</b>  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Purpose and rationale for the use of derivatives  | <p>The Fund may use derivatives, including futures, options and swaps, to enhance total return; to hedge against fluctuations in securities prices, interest rates or currency exchange rates; to change the effective duration of its portfolio; to manage certain investment risks; and/or as a substitute for the purchase or sale of securities or currencies.</p> <p>Credit derivatives, such as single-name credit and index credit default swaps, may be employed to manage beta, protect during down markets, or enhance performance during rising markets. The use of credit default swaps enables the portfolio managers to enhance credit risk and broaden income opportunities or limit market risk in challenging market environments to meet the portfolio's secondary objective of downside protection.</p> <p>The Fund utilises currency forwards to manage FX risk. Typically, we use these instruments to hedge or partially hedge foreign-denominated bond exposures when currency valuations are not attractive. While currency management is not a significant alpha driver for the strategy, we will tactically use FX forwards to take independent long exposures to undervalued currencies or short exposures to overvalued currencies when market conditions permit.</p> <p>The Fund may also use derivatives to gain an economic leverage of the portfolio.</p> |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Types of derivatives used   | Forwards, futures, options, and credit default swaps.   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Criteria for engaging derivative counterparties   | <p>The Investment Manager has policies and procedures in place to monitor and mitigate OTC counterparty risks with its trading partners. They seek to mitigate credit risks with counterparties by trading with parties with strong credit ratings, trading operation and internal control policies, realising profit/loss frequently and diversifying trading with multiple counterparties.</p> <p>The Enterprise Risk Management team interacts with the investment and trading functions on a frequent and often daily basis in supporting the efforts around market and credit risk. Enterprise Risk Management produces position, currency and counterparty reports and information utilised by the investment team to monitor exposures relative to limitations in the investment mandate or on a firm-wide basis.</p>  |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |
| Key risks associated with the collateral requirements                                       | Counterparty risk is the key risk associated with the collateral requirements of the Fund. The investment manager executes transactions via highly creditworthy counterparties, clearing agents and exchanges to minimise this risk. Counterparty risk is monitored on a regular basis.   |                  |                        |                           |       |                       |        |                   |       |                      |       |                               |        |                                      |       |         |       |             |        |

| 8 Short selling                      |   |
|--------------------------------------|---|
|                                      | Description   |
| Is short-selling permitted?          | Yes   |
| Rationale                            | <p>The Fund can hold short positions on individual debt securities, indices, currencies and/or interest rates. The Fund will not directly short securities, but instead will hold any short positions exclusively through financial derivative instruments.</p> <p>The Investment Manager may employ long/short strategies or relative value trading. Relative value trading involves holding a long position in a particular stock or bond, or derivative, and hedging this position by holding a short position in another stock or bond, or derivative. Investment gains can be made where the long position rises in value more than the short position. Gains can also be made where both assets decline in value so long as the long position declines less than the short position.</p> <p>In relation to currency shorting, the Investment Manager may hedge all or some of the Fund's currency exposure and may also cross hedge currency positions. The Fund may have net short currency positions. The sum of the Fund's active net long currency exposures shall not exceed 15% of the portfolio. The sum of the Fund's active net short currency exposures shall not exceed -15% of the Fund. The sum of the gross active currency exposures shall not exceed 30% of the Fund.</p> |
| Risks                                | In taking short positions, the Fund bears the risk of an increase in the price of an investment over which the short position is taken. Such an increase could lead to a substantial loss.  |
| 9 Withdrawals                        |   |
|                                      | Description   |
| Significant risk factors/limitations | Where a Fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless an investment Fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with our normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.   |
| Changes to withdrawal rights         | For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.   |

## CFS Alternatives

| 1 Investment strategy   | Description  |               |                   |               |   |     |        |  |     |        |  |     |        |
|---|--|---------------|-------------------|---------------|---|-----|--------|--|-----|--------|--|-----|--------|
| Investment Strategy   | To invest in a diversified portfolio of alternative investment strategies with the underlying assets typically having relatively high liquidity. The investments are managed by a number of leading alternative investment managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to minimize unintentional currency exposure. In this document, 'underlying portfolios' refer to managed investment schemes in which the Fund invests.  |               |                   |               |   |     |        |  |     |        |  |     |        |
| Asset classes   | Equity securities, fixed interest securities including bank loans, listed and unlisted unit trusts, commodities, currencies, derivatives and cash.   |               |                   |               |   |     |        |  |     |        |  |     |        |
| Location and currency denomination of assets                    | <b>Location</b> – Global<br><b>Currency denomination</b> – Various   |               |                   |               |   |     |        |  |     |        |  |     |        |
| Role of leverage, derivatives and short selling (if applicable) | <b>Leverage</b> – The Fund does not leverage, however the underlying portfolios may leverage. Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The underlying portfolios may be leveraged for risk management purposes (to either increase or decrease a portfolio's exposure to markets), to take opportunities to increase returns, or to gain access to particular stock markets where investors face restrictions.<br><b>Derivatives</b> – The Fund does not invest directly in derivatives, however the underlying portfolios may use derivatives. The underlying portfolios may use derivatives that are exchange-traded (futures and options) and over-the-counter (forwards, warrants, swaps, swaptions and options). Derivatives may be used to provide economic exposure to the underlying instruments, hedge currency or equitise cash.<br><b>Short selling</b> – The Fund does not short sell, however the underlying Equity Hedge – Long Short portfolio will seek to enhance returns by taking long and short positions in securities generally listed on the Australian Securities Exchange.   |               |                   |               |   |     |        |  |     |        |  |     |        |
| Investment returns and assumptions                              | The Fund objective is to provide returns with a low correlation to equity markets from a diversified portfolio of alternative investment strategies. The Fund aims to provide a return of 4% per annum in excess of the Reserve Bank of Australia (RBA) cash rate before fees and taxes over rolling three-year periods.<br>The Fund's underlying portfolios each adopt an investment approach which has low exposure to the directional movement of equity markets and therefore returns for each underlying portfolio should not be dependent on equity market returns. Further, each underlying portfolio adopts a different investment approach which is not expected to be highly correlated with the other underlying portfolios. The effect is to further diversify the returns of the Fund.  |               |                   |               |   |     |        |  |     |        |  |     |        |
| Risk management strategy (key aspects)                          | The Fund is exposed to a range of risks including: market risk, trading risk, counterparty risk, derivative risk, emerging market risk and legal risk. The relevant offer document includes additional information for each of these risks. The risks are mitigated by diversifying the underlying portfolios across a range of investment managers. The investment management agreements with each investment manager includes guidelines for the management of risk and places limits on risk exposures within each of the underlying portfolios.  |               |                   |               |   |     |        |  |     |        |  |     |        |
| Diversification guidelines and limits                           | Each of the underlying portfolios is managed by an investment manager which has an alternative investment capability. Each investment manager is appointed under an Investment Management Agreement (IMA) with Colonial First State Investments Limited (CFSIL) as the Responsible Entity of the managed investment scheme.<br>Each investment strategy has various limits and guidelines reflected in the relevant IMA that is determined in consultation with the investment manager such that they can achieve their individual investment objective.<br>Each investment manager's investment strategy is diversified by investing in a range of financial instruments.<br>The underlying portfolios that form the Fund are not expected to have a high correlation of investment returns. Currently, the Fund is invested in five strategies with target allocation and limits as set out below. The allocations and limits may change from time to time to improve the expected return or risk outcomes of the Fund.<br><table border="1"> <thead> <tr> <th>Strategy</th> <th>Target allocation</th> <th>Target ranges</th> </tr> </thead> <tbody> <tr> <td>Systematic Macro – Managed Futures (Aspect Capital)</td> <td>20%</td> <td>10–30%</td> </tr> <tr> <td>Multi Strategy Credit (Oaktree Capital Management, L.P.)</td> <td>30%</td> <td>20–40%</td> </tr> <tr> <td>Equity Hedge – Long Short (Acadian Asset Management)</td> <td>50%</td> <td>40–60%</td> </tr> </tbody> </table> | Strategy      | Target allocation | Target ranges | Systematic Macro – Managed Futures (Aspect Capital) | 20% | 10–30% | Multi Strategy Credit (Oaktree Capital Management, L.P.) | 30% | 20–40% | Equity Hedge – Long Short (Acadian Asset Management) | 50% | 40–60% |
| Strategy  | Target allocation  | Target ranges |                   |               |   |     |        |  |     |        |  |     |        |
| Systematic Macro – Managed Futures (Aspect Capital)             | 20%  | 10–30%        |                   |               |   |     |        |  |     |        |  |     |        |
| Multi Strategy Credit (Oaktree Capital Management, L.P.)        | 30%  | 20–40%        |                   |               |   |     |        |  |     |        |  |     |        |
| Equity Hedge – Long Short (Acadian Asset Management)            | 50%  | 40–60%        |                   |               |   |     |        |  |     |        |  |     |        |
| Investment strategy changes                                     | The IMA with the investment manager of each of the underlying portfolios sets out how the assets of the respective underlying portfolio are to be invested. The IMA may specify an appropriate benchmark, acceptable investments and investment ranges.<br>Changes to the investment strategy require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.   |               |                   |               |   |     |        |  |     |        |  |     |        |

| 2 Investment manager   | Description  |
|--|--|
| <p>Key personnel (Relevant experience, and proportion of time devoted to implementation of strategy)</p> | <p>The following members of the Colonial First State Investments Limited, FirstChoice Investments team manage the Fund's allocations.</p> <p>The team members listed below spend a proportion of their time implementing the strategy:</p> <p><b>Robert Graham-Smith – Head of Fixed Income and Alternatives</b></p> <p>Robert joined the Colonial First State Investments Team in February 2021. In his current role he is the Investment Manager for Colonial First State's Alternatives Portfolio, responsible for research and portfolio construction for Alternatives, Fixed Interest and Cash as well as contributing to research for other asset classes. Prior to joining Colonial First State, Robert was a senior investment analyst at Mine Super, covering liquid alternatives, property and fixed income/credit. Before this, Robert was a senior analyst/portfolio manager within the multi-manager team at Perpetual Investments, with a focus on hedge fund and absolute return investments, fixed income and credit. From 2004 until 2012, Robert was the portfolio manager for the Select Alternatives Portfolio and responsible for the day to day management of Select Portfolio Solutions at Select Asset Management. Robert's expertise in alternative investments began in 1999 when he returned from London and joined DB Absolute Return Strategies, the hedge fund specific business within the Deutsche Bank group, working as a senior hedge fund analyst, investment specialist and quantitative specialist for absolute return products. Prior to that, Robert worked in London for Deutsche Bank, ING Barings and for KPMG in London and Perth. Robert holds a Bachelor of Commerce from the University of Western Australia majoring in accounting and finance, and is a Chartered Accountant (Chartered Accountants Australia and New Zealand).</p> <p><b>Ramali De Zoysa – Senior Investment Analyst – Fixed Income and Alternatives</b></p> <p>Ramali joined the Colonial First State Investments team in June 2022. In her role, she is responsible for undertaking research and analysis of multi-asset, multi-sector and multi-manager portfolios, with a focus on Fixed Interest and Alternatives.</p> <p>Prior to CFS, Ramali was an analyst in the Investment Risk team (Cortex-Investech) at AMP Capital, which focused on developing highly granular portfolio and risk analytics to inform investment decision making. Ramali joined AMP Capital through the Public Markets Graduate program in 2019, gaining experience across a myriad of asset classes, investment strategies and operational areas including: Listed Real Estate (REITS), Equities, Fixed Income, Risk Analytics and Dealing and Exposure Management.</p> <p>Ramali holds a Bachelor of Commerce, majoring in Economics and Finance from the University of Sydney.</p> |
| <p>Termination of investment management agreement (IMA)</p>  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>   |
| 3 Fund structure   | Description  |
| <p>Investment structure</p>  | <p>Each Fund is a managed investment scheme registered with the ASIC.</p>  <pre> graph TD     subgraph Auditor         SM[Super members]         PM[Pension members]         NSI[Non-super investors]     end     subgraph Responsible_Entity [Responsible Entity - Colonial First State Investments Limited]         RIT[Retail investment trust]     end     subgraph Custodian         WIT1[Wholesale investment trust]         WIT2[Wholesale investment trust]         WIT3[Wholesale investment trust]     end     subgraph Direct_Assets [Direct assets]         DA1[Direct assets]         DA2[Direct assets]         DA3[Direct assets]     end     subgraph Investment_Managers [Investment manager]         IM1[Investment manager]         IM2[Investment manager]         IM3[Investment manager]     end      SM --&gt; RIT     PM --&gt; RIT     NSI --&gt; RIT     RIT --&gt; WIT1     RIT --&gt; WIT2     RIT --&gt; WIT3     WIT1 --&gt; DA1     WIT2 --&gt; DA2     WIT3 --&gt; DA3     DA1 --&gt; IM1     DA2 --&gt; IM2     DA3 --&gt; IM3 </pre> <p>Investments in FirstChoice Wholesale Investments are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (the Responsible Entity).</p>  |
| <p>Key service providers</p>   | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited</p> <p><b>Investment Manager:</b> Colonial First State Investments Limited</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Funds' annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodians:</b> Citibank NA (Hong Kong) is appointed as the Custodian that holds the assets of the underlying funds within the FirstChoice Alternative options.</p> <p><b>Prime Broker:</b> Goldman Sachs Global Markets Limited, Citi Group Global Markets Limited and UBS AG, Australia Branch acts as a Prime Broker for the Fund.</p>   |

|  |  |
|--|--|
| Monitoring service providers   | <p><b>Investment Manager:</b> Colonial First State Investments Limited (CFSIL) is the Responsible Entity of the Fund. The Fund may invest in other managed investment schemes for which it is also the Responsible Entity. CFSIL has in place an Investment Management Agreement (IMA) with Investment Managers for each of the managed investment schemes that sets out the operational, investment and compliance requirements of the Investment Managers. The Investment Managers are responsible for reporting breaches of the IMA and CFSIL undertakes regular review and monitoring of the Investment Managers to verify the Investment Managers' compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodians:</b> Citicorp Nominees (Australia), and Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts and periodic on site due diligence visits.</p> |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor includes investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.  |
| Jurisdiction of entities involved in the fund structure  | Colonial First State Investments Limited – Australia<br>KPMG – Australia<br>Citicorp Nominees Pty Ltd – Australia<br>Citibank NA (Hong Kong) – Hong Kong<br>Goldman Sachs & Co – USA   |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | Fund assets are held in each Fund's respective Custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.<br><br>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.  |

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

| Valuation policy  | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
|---|--|------------------|------------------------|-------------------|--------|--|--------|-----------------------------|--------|------------------------------|--------|-------------------------------------|--------|
| Asset types and allocation ranges (expressed as a percentage of the Fund's net asset value) | <table border="1"> <thead> <tr> <th>Asset class name</th> <th>Asset allocation range</th> </tr> </thead> <tbody> <tr> <td>Equity securities</td> <td>0–100%</td> </tr> <tr> <td>Fixed interest securities including bank loans</td> <td>0–100%</td> </tr> <tr> <td>Exchange-traded derivatives</td> <td>0–100%</td> </tr> <tr> <td>Over-the-counter derivatives</td> <td>0–100%</td> </tr> <tr> <td>Cash and cash equivalent securities</td> <td>0–100%</td> </tr> </tbody> </table>   | Asset class name | Asset allocation range | Equity securities | 0–100% | Fixed interest securities including bank loans | 0–100% | Exchange-traded derivatives | 0–100% | Over-the-counter derivatives | 0–100% | Cash and cash equivalent securities | 0–100% |
| Asset class name  | Asset allocation range   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Equity securities   | 0–100%   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Fixed interest securities including bank loans  | 0–100%   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Exchange-traded derivatives   | 0–100%   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Over-the-counter derivatives  | 0–100%   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Cash and cash equivalent securities   | 0–100%   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Custodian arrangements  | <p>A professional custodian, Citicorp Nominees (Australia) and Citibank NA (Hong Kong) holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by Colonial First State Investments Limited (CFSIL), the Responsible Entity. CFSIL may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, CFSIL must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Geographic location of assets or material assets  | The assets of the Fund are held by the Custodian around the world.   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| <b>5 Liquidity</b>  | <b>Description</b>   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Liquidity   | The Responsible Entity reasonably expects to be able to realize at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| <b>6 Leverage</b>   | <b>Description</b>   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Use of leverage and restrictions on the use of leverage                                     | The Fund does not leverage, however the underlying portfolios may leverage. See Section 1 Investment Strategy – The role of leverage, derivatives and short selling.   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |
| Source of leverage including type   | The Fund is leveraged using derivatives (exchange-traded (futures and options) and over-the-counter (forward foreign currency contracts, warrants, swaps, swaptions and options). See section 7.   |                  |                        |                   |        |  |        |                             |        |                              |        |                                     |        |



|   |   |
|---|---|
| Maximum allowed level of leverage                     | The maximum allowed level of leverage for each underlying strategy that the Fund invests in is:<br><b>Strategy</b><br>Managed Futures (Aspect Capital) 1300%<br>Multi Strategy Credit (Oaktree Capital Management, L.P.) 150%<br>Equity Hedge – Long Short (Acadian Asset Management) 150%  |
| Impact of leverage on investment returns and losses   | The Fund's maximum anticipated leverage is 20 times the Fund's net asset value. However, typically, the Fund is leveraged at lower levels.<br>If in a year an unleveraged (1 x leverage) investment were to return 1%, then a 20 x leveraged investment would return 20%.<br>If in a year, an unleveraged (1 x leverage) investment were to return –1%, then a 20 x leverage investment would return –20%.  |
| Assets used as collateral                             | Cash is posted as margin at the futures clearers for each of the underlying portfolios. Cash or physical securities may be lodged as collateral for OTC derivatives for the underlying portfolios.  |
| <b>7 Derivatives</b>                                  | <b>Description</b>  |
| Purpose and rationale for the use of derivatives      | The Fund does not invest directly in derivatives however the underlying portfolios may use derivatives. See Section 1 – Investment Strategy.  |
| Types of derivatives used                             | Exchange-traded (futures and options) and over-the-counter (forward foreign currency contracts, warrants, swaps, swaptions and options).  |
| Criteria for engaging derivative counterparties       | The Fund does not directly engage in derivative counterparties, however, the underlying portfolios may engage with derivative counterparties. For the underlying portfolios, prior to dealing over-the-counter derivatives, all counterparties must have a long term credit rating of BBB or above; executed ISDA documentation must be in place between the investment manager of the underlying portfolio and the counterparty prior to dealing and there is a maximum limit to any single counterparty.  |
| Key risks associated with the collateral requirements | Counterparty risk is the key risk associated with the collateral requirements of the Fund. The underlying investment managers, on behalf of CFSIL, executes transactions via highly creditworthy counterparties, clearing agents and exchanges in the execution and management of the Fund's positions. Counterparty risk is monitored by the underlying investment managers on a regular basis.<br>Please refer to the relevant offer document for additional information on Fund risks.   |
| <b>8 Short selling</b>                                | <b>Description</b>  |
| Is short selling permitted                            | The fund does not directly short sell however the underlying portfolios may short sell.   |
| Rationale   | Not applicable as the Fund does not directly short sell.  |
| Risks   | Not applicable as the Fund does not directly short sell.  |
| <b>9 Withdrawals</b>                                  | <b>Description</b>  |
| Significant risk factors/limitations                  | Where a Fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.<br>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.<br>Additional information on withdrawals can be found in the Reference Guide – Transacting on your account for the product you are investing in. |
| Changes to withdrawal rights                          | For up to date information on your account visit our internet site at <a href="http://cfs.com.au">cfs.com.au</a> or by phoning Investor Services on 13 13 36.<br>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.  |

## Drummond Dynamic Plus

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | <p>The Fund is a dynamically managed, global multi-asset strategy and seeks to provide investors with an attractive return in a low return world by capturing equity beta combined with Drummond's proven tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives. Typically, the Fund will be diversified across asset classes, seeking diversified sources of return and reducing drawdown risk. The Manager expects most of the Fund's return to be generated from long term exposure to traditional market betas. The Fund may hedge a portion of its currency exposure and may use derivatives to achieve its investment objective and to gain exposure to assets and markets. Derivatives may also be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets. The Fund may use leverage in order to contribute meeting the investment objective.</p> <p>The Fund gains exposure by investing in the underlying Drummond Dynamic Plus Fund via buying and selling units.</p>  |
| Asset classes   | Australian shares, global shares, property & infrastructure securities, alternatives, global fixed income, corporate bonds, and cash & derivatives.  |
| Location and currency denomination of assets                    | <p><b>Location</b> – Australia and global.</p> <p><b>Currency denomination</b> – Range of foreign currencies. Some foreign currency exposure may be hedged back to Australian dollars.</p>   |
| Role of leverage, derivatives and short selling (if applicable) | <p>The Fund uses leverage where the Manager believes it may enable the Fund to meet its return objective. Accordingly, the Fund may pledge securities in order to borrow additional funds for investment purposes. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their Fund units.</p> <p><b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment.</p> <p><b>Derivatives and short selling</b> – Derivatives (futures, forwards, interest rate and credit default swaps) can be used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the Fund's strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the Fund's net asset value. The Fund can also hold individual short positions, although this is not a core part of the investment strategy.</p>  |
| Investment returns and assumptions                              | <p>The investment objective of the Fund is to achieve an 8% p.a. return on a rolling 5yr basis while exhibiting equity market like volatility. Returns are not guaranteed as this is a target return and may not be achieved.</p> <p>The Fund seeks to provide investors with an attractive return by capturing equity beta combined with Drummond's tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives.</p> <p>Drummond develop capital market assumptions for all major asset classes across most major regions. Drummond use a macroeconomic based framework for asset class returns. Each asset class return is generally split into expectations for growth, valuation change and income. Drummond's assumptions for risk and correlations are based on a combination of historical averages and future expectations.</p> <p>These assumptions are reviewed on an annual basis or earlier as required by the Investment Team and Drummond's Investment Committee. Drummond also cross check their assumptions against historical averages and the expectations of external research providers.</p> <p>There are two primary inputs into Drummond's tactical process, both of which consider Equities, Bonds, Credit and FX positioning.</p> <p><b>1</b> A tactical scorecard, which combines quantitative signals which have historically improved investment outcomes and our investment outlook, these include:</p> <ul style="list-style-type: none"> <li><b>a Expected Returns:</b> Using our capital market framework</li> <li><b>b Momentum:</b> Long and short term trend indicators</li> <li><b>c Growth:</b> Global economic activity indicators</li> <li><b>d Policy:</b> Fiscal and Central bank policy</li> <li><b>e Sentiment:</b> Investor surveys and volatility indices</li> </ul> <p><b>2</b> A judgement overlay, where Drummond consider factors which may not be accounted for in the tactical scorecard. It is important to reiterate the Manager's tactical process is not purely systematic.</p> <p>These two elements are then used to construct the tactical overlay, with position sizing a function of conviction and risks around the investment outlook. Sitting over the top of this structure is a robust governance framework, which involves frequent Investment Committee oversight and internal portfolio risk management tools.</p> |
| Risk management strategy (key aspects)                          | <p>Please refer to the relevant offer document for important information on Fund risks. Risk management is an integral aspect of the management of the portfolio. There are a number of key elements to the Fund's risk management strategy:</p> <ul style="list-style-type: none"> <li>• <b>Volatility management/targeting</b> – The portfolio is generally managed to have ex-ante volatility not greater than the Manager's long term assumption for global equity market volatility. Should ex-ante volatility be higher, than this, the Investment Committee will review, and approve portfolio exposures. This is reviewed continuously by the investment team and formally monthly by the Investment Committee.</li> <li>• <b>Stress testing</b> – The portfolio is stress tested monthly against severe market dislocation events to ensure the predicted drawdown is within acceptable limits. Ex-ante stress test measures are also produced, such as CVAR and 1st to 5th percentile simulated drawdowns and lowest expected returns.</li> <li>• <b>Tactical process</b> – The investment team will also adjust the exposures of the portfolio through time to manage risk as well as enhance return. This includes the use of options to shape the distribution of portfolio returns.</li> </ul> <p>Over time the portfolio will be well diversified across asset classes, limiting concentration risk.</p>  |

|  |  |
|--|--|
| Diversification guidelines and limits  | <p>The strategy is well diversified across asset classes.</p> <p>Typically, in a benign market environment, the Fund will have close to 90%-100% gross exposure in growth assets (listed equity, property, infrastructure) and 50%-100% exposure within defensive assets (cash, government bonds, credit) depending on the term structure of the yield curve (which impacts borrowing costs). The Fund will typically have 7 to 15 positions. Within growth exposure, the Fund will be diversified by equity region and style. Within defensive exposure, the Fund will be diversified by region, duration and credit quality.</p> <p>The Fund may be levered on a gross basis to be exposed between 0% – 150% on growth assets and 0% – 300% on defence assets. The Fund's maximum gross exposure is 300%.</p>  |
| Investment strategy changes  | <p>The Fund is managed by Drummond Capital Partners (Investment Manager). Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.</p>   |
| <b>2 Investment manager</b>  |  |
| <b>Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)</b> | <p><b>Description</b></p> <p>Drummond Capital Partners was founded in 2017 by Nick Reddaway and Tom Schubert to deliver active, institutional grade investment management to wealth management clients. The team have a long, combined history of investing across some of the world's leading institutional funds management businesses and domestic pension funds.</p> <p>Drummond are asset allocation specialists and focus on delivering high quality, risk aware, global multi-asset portfolio solutions, driven by proprietary research.</p> <p><b>Nick Reddaway</b></p> <p>Nick co-founded Drummond and has 21 years' investment management experience across multiple markets and investment styles. As Chief Investment Officer, Nick oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction.</p> <p>Nick was previously a co-founder and portfolio manager of Paragon Funds Management, an Australian long short equity fund. Prior to this Nick was a portfolio manager for the long short international fund at K2 Asset Management and also sat on the firms asset allocation committee. Nick spent the first 8 years of his career in London, commencing at Schroders in the quantitative strategy group, then at Lazard in cross asset research and then as a global industrials analyst at BlueCrest Capital, one of the largest hedge funds in Europe.</p> <p>Nick has a Bachelor of Business from Monash University, GradDip Applied Finance and is CFA Level 1.</p> <p><b>Tom Schubert</b></p> <p>Tom co-founded Drummond and has 19 years' investment management experience. As portfolio manager Tom contributes to our strategic and tactical asset allocation processes, manager selection and portfolio construction.</p> <p>Tom was previously a partner and portfolio manager at a leading private wealth firm for 12 years where he managed global multi-asset portfolios for high net worth and family office clients. He was a member of the investment committee leading the investment strategy, manager research and multi-asset model portfolio process.</p> <p>Tom has a Master of Applied Finance from Macquarie University, ASX Accredited Derivatives Adviser, Diploma of Financial Services.</p> <p><b>Alex Cathcart</b></p> <p>Alex joined Drummond in 2019 and has 18 years' experience as a portfolio manager and economist. As portfolio manager Alex oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction.</p> <p>Alex previously spent 3 years at Cbus Super as a senior member of the asset allocation group responsible for strategic and dynamic asset allocation across the multi-asset portfolios. Prior to Cbus, Alex spent 5 years in the investment strategy team at QSuper. Alex was responsible for developing econometric structural models of major global economies, alongside the dynamic asset allocation and risk positioning frameworks. Prior to QSuper Alex spent almost 6 years as a senior economist at Queensland Treasury.</p> <p>Alex is a CFA Charterholder, B.Bus – Economics (1st Class Honours) and B.Arts/B.Bus at the University of Southern Queensland</p> |
| Termination of investment management agreement (IMA)   | <p>The Responsible Entity has the right to terminate the Investment Manager without cause. The Responsible Entity has other termination rights such as certain breaches of the agreed terms or insolvency events.</p>  |
| <b>3 Fund structure</b>  |  |
| Investment structure   | <pre> graph TD     subgraph Investors         SM[Super members]         PM[Pension members]         NSI[Non-super investors]     end     subgraph Trust         RE[Responsible Entity - Colonial First State Investments Limited]         WIT[Wholesale investment trust]         C[Custodian]     end     subgraph Fund         DDF[Drummond Dynamic Plus Fund]     end     subgraph IM         IMgr[Investment manager]     end     SM --&gt; WIT     PM --&gt; WIT     NSI --&gt; WIT     RE --&gt; WIT     WIT &lt;--&gt; C     WIT --&gt; DDF     DDF --&gt; IMgr     A[Auditor] -.-&gt; WIT   </pre>   |

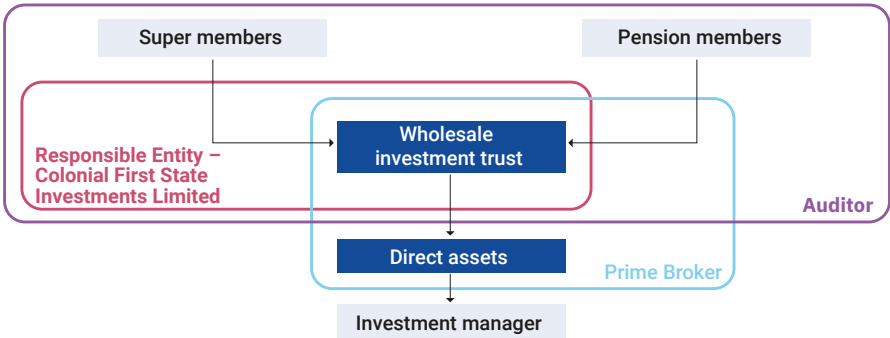
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited</p> <p><b>Investment Manager:</b> Drummond Capital Partners – Drummond are asset allocation specialists and focus on delivering high quality, risk aware, global multi-asset portfolio solutions, driven by proprietary research.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a halfyearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Prime Broker:</b> The Investment manager utilises the services of Interactive Brokers for various trading and execution services.</p>   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
|--|--|------------------|------------------------|-------------------|--------|---------------|--------|--------------------------------------|-------|--------------|-------|---------------------|--------|-----------------|--------|--------------------|--------|
| Monitoring service providers   | <p><b>Investment Manager:</b> Colonial First State Investments Limited (CFSIL) is the Responsible Entity of the Fund. The Fund may invest in other managed investment schemes which may have a different Responsible Entity (RE). The Investment Managers are responsible for reporting breaches of the agreed terms. CFSIL undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Prime Broker:</b> At least an annual review of overall performance against service level agreement. This is part of Drummond's outsourcing policy and procedures relating to monitoring and review of performance of service providers.</p> <p>Monitoring requirements include the Board monthly management reporting, site visits and ongoing assessing performance against contractual obligations.</p> |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investment Limited – Australia</p> <p>Drummond Capital Partners – Australia</p> <p>KPMG – Australia</p> <p>Evolution Trustees – Australia</p> <p>Apex Group – Australia</p> <p>Citibank, N.A., Hong Kong branch – Hong Kong</p>  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | The Fund will typically invest into other managed investment schemes to gain investment exposure. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives may be held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| <b>4 Valuation, location and custody of assets</b>   |  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p>   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)                        | <table border="1"> <thead> <tr> <th>Asset class name</th> <th>Asset allocation range</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>0-100%</td> </tr> <tr> <td>Global Shares</td> <td>0-100%</td> </tr> <tr> <td>Property &amp; Infrastructure Securities</td> <td>0-50%</td> </tr> <tr> <td>Alternatives</td> <td>0-50%</td> </tr> <tr> <td>Global Fixed Income</td> <td>0-100%</td> </tr> <tr> <td>Corporate Bonds</td> <td>0-100%</td> </tr> <tr> <td>Cash &amp; Derivatives</td> <td>0-100%</td> </tr> </tbody> </table>  | Asset class name | Asset allocation range | Australian Shares | 0-100% | Global Shares | 0-100% | Property & Infrastructure Securities | 0-50% | Alternatives | 0-50% | Global Fixed Income | 0-100% | Corporate Bonds | 0-100% | Cash & Derivatives | 0-100% |
| Asset class name   | Asset allocation range   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Australian Shares  | 0-100%   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Global Shares  | 0-100%   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Property & Infrastructure Securities   | 0-50%  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Alternatives   | 0-50%  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Global Fixed Income  | 0-100%   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Corporate Bonds  | 0-100%   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Cash & Derivatives   | 0-100%   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Custodian arrangements   | <p>A professional custodian, Citibank NA (Hong Kong), will typically hold units in other managed investment schemes. The custodian is appointed and contracted by Colonial First State Investments Limited (CFSIL), the Responsible Entity. CFSIL may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, CFSIL must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors</li> </ul>   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Geographic location of assets or material assets   | The Fund can invest in a wide range of global assets and markets.  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| <b>5 Liquidity</b>   |  |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |
| Liquidity  | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |                  |                        |                   |        |               |        |                                      |       |              |       |                     |        |                 |        |                    |        |

| 6 Leverage  | Description  |
|---|--|
| Use of leverage and restrictions on the use of leverage | Leverage can be used to assist in implementing asset class views, the Fund may be levered on a gross basis to be exposed between 0% – 150% on growth assets and 0% – 300% on defence assets. The Fund's maximum gross exposure is 300%.  |
| Source of leverage including type                       | Derivatives, futures, borrowings and/or short selling.   |
| Maximum allowed level of leverage                       | 0 – 300% at the Fund level.  |
| Impact of leverage on investment returns and losses     | Some derivatives are leveraged and therefore may magnify or otherwise increase investment losses to the Fund.  |
| Assets used as collateral                               | Derivative positions are collateralised with cash, however securities may be used in some instances.   |
| 7 Derivatives   | Description  |
| Purpose and rationale for the use of derivatives        | <p>A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. The Fund typically uses futures, options, and forward foreign exchange contracts to help implement investment decision-making.</p> <p>Derivatives may be used in the management of the Fund for a range of investment activities including, but not limited to, the following purposes:</p> <ul style="list-style-type: none"> <li>• managing investment risk and volatility of a stock, security or market</li> <li>• managing currency risk and adjusting currency exposure</li> <li>• achieving asset exposures without buying or selling the underlying securities</li> <li>• creating short exposure to a stock, security or market where permitted</li> <li>• taking advantage of price differences (known as arbitrage).</li> </ul> <p>The use of derivatives is consistent with the Fund's investment guidelines and objectives.</p> |
| Types of derivatives used                               | Typically, futures and forward foreign exchange contracts.   |
| Criteria for engaging derivative counterparties         | Drummond Capital Partners typically uses exchange-traded derivatives. These are executed via the Investment Manager's prime-broker relationship (Interactive Brokers). As at the date of this PDS the Fund's only derivative counterparty will be the Prime Broker. Any new counterparties must be formally approved by CFSIL. No transaction may be entered into with a counterparty that has not previously been approved by CFSIL.  |
| Key risks associated with the collateral requirements   | Exchange-traded and over-the-counter derivatives may be collateralised through the standard margining process with futures clearing merchants and the relevant exchanges and counterparties. Trading in derivatives can require the lodgement of initial and variation margins with the clearing member and exchange. This gives rise to counterparty risk, i.e. the risk that the other party to financial transaction may default on monies owing (under the financial contract) to the other.   |
| 8 Short selling   | Description  |
| Is short-selling permitted?                             | Yes  |
| Rationale   | <p>The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange-traded fund). From time to time, the Investment Manager applies an active short selling strategy for the Fund. Drummond Capital Partners may use short selling to reduce the Fund's net invested position and to take opportunities to increase returns.</p> <p>The Investment Manager may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position. The investment manager may short sell shares that it considers to be overvalued.</p>  |
| Risks   | In taking a short position, the Investment Manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, i.e. thorough research, daily reporting and ongoing monitoring of positions held. For further information on short selling risk, please refer to the relevant offer document.  |
| 9 Withdrawals   | Description  |
| Significant risk factors/limitations                    | Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.  |
| Changes to withdrawal rights                            | For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.  |

## Perpetual Share-Plus Long-Short

| 1 Investment strategy   | Description   |
|---|---|
| Investment strategy   | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> <li>• conservative debt levels</li> <li>• sound management</li> <li>• quality business and</li> <li>• recurring earnings.</li> </ul> <p>In addition, Perpetual aims to take short positions predominantly in Australian shares that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions).</p> <p>The Fund may have up to 20% exposure to investments in international shares where the manager believes there are opportunities that may enhance returns.</p> <p>The Fund may have up to 10% exposure to short positions in international shares.</p> <p>Derivatives may be used in managing the Fund.</p>  |
| Asset classes   | <p>Australian shares and cash</p> <p>The Fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The Fund may also invest in Australian or international shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the Fund's net asset value. Currency hedges may be used from time to time.</p>  |
| Location and currency denomination of assets                    | <p><b>Location:</b> Australia</p> <p><b>Currency denomination:</b> Australian Dollars (AUD)</p>   |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage:</b> Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The Fund may be leveraged for risk management purposes (to either increase or decrease a Fund's exposure to markets), to take opportunities to increase returns, or to gain access to particular stock markets where investors face restrictions.</p> <p><b>Derivatives:</b> Derivatives are not considered in isolation, but as part of the investment strategy being implemented. In relation to any offshore holdings held currency exposure against the Australian dollar will be generally unhedged.</p> <p>While derivative transactions may include a wide assortment of instruments, such as, futures, options, warrants and other composites, the list of authorised derivatives for use in the Fund is limited to:</p> <ul style="list-style-type: none"> <li>• exchange traded equity options (including index options) on listed &amp; approved equities</li> <li>• exchange traded equity futures (including index futures)</li> <li>• forward foreign exchange contracts</li> </ul> <p>The portfolio may also use warrants as an effective alternative to direct share ownership, however these cannot be used for gearing purposes.</p> <p>In addition, derivatives may be used for the following purposes:</p> <ul style="list-style-type: none"> <li>• adjust currency exposure</li> <li>• hedge selected shares or securities against adverse movements in market prices</li> <li>• gain short-term exposure to the market</li> <li>• build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up</li> </ul> <p><b>Short selling:</b> The process on the short side of the portfolio involves opportunistically targeting stocks that the manager expect will underperform. These opportunities can be identified through ongoing fundamental stock analysis, the use of shorter-term drivers of stock prices such as news flow and events, and market sentiment. The shorting process leverages the manager's stock picking skills and thorough fundamental stock research to identify stocks that will underperform the market. The philosophy that underpins the Fund's short positions is:</p> <ul style="list-style-type: none"> <li>• short positions are to make money in an absolute sense not in a relative sense</li> <li>• the manager will rarely short the index, we short companies</li> <li>• the manager will short for alpha generation, not beta timing</li> <li>• the manager does not short with hedging or pairing in mind.</li> </ul> |
| Investment returns and assumptions                              | <p>The Fund aims to provide long-term capital growth and income through investment in quality shares and taking short positions predominately in selected Australian Shares and to outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</p>   |



| 3 Fund structure   | Description   |
|--|---|
| Investment structure   |   |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Perpetual Investment Management Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Prime Broker:</b> Citigroup Global Markets Limited.</p>   |
| Monitoring service providers   | <p><b>Investment Manager:</b> Perpetual Investment Management Limited – The Responsible Entity (RE) has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the RE undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Prime Broker:</b> Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts and periodic on-site due diligence visits.</p> |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor includes investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.   |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investments Limited – Australia</p> <p>Perpetual Investment Management Limited – Australia</p> <p>KPMG – Australia</p> <p>Citigroup Global Markets Limited – Australia</p>  |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Custodian/Prime Broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity and Trustee.</p>   |

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

| Valuation policy  | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spread).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |                  |                        |  |              |   |            |                             |             |      |           |
|---|---|------------------|------------------------|--|--------------|---|------------|-----------------------------|-------------|------|-----------|
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)   | <table border="1"> <thead> <tr> <th data-bbox="499 1713 1236 1742">Asset class name</th> <th data-bbox="1244 1713 1473 1742">Asset allocation range</th> </tr> </thead> <tbody> <tr> <td data-bbox="499 1747 1236 1836">Australian Shares (long positions)<br/>* Inclusive of securities listed outside of Australia up to a maximum of 20% of the Portfolio's NAV;</td> <td data-bbox="1244 1747 1473 1836">90% to 125%*</td> </tr> <tr> <td data-bbox="499 1841 1236 1930">Australian Shares (short positions)<br/>^ Inclusive of securities listed outside of Australia up to a maximum of 10% of the Portfolio's NAV;</td> <td data-bbox="1244 1841 1473 1930">0% to 25%^</td> </tr> <tr> <td data-bbox="499 1935 1236 1964">Australian securities (net)</td> <td data-bbox="1244 1935 1473 1964">65% to 100%</td> </tr> <tr> <td data-bbox="499 1968 1236 1998">Cash</td> <td data-bbox="1244 1968 1473 1998">0% to 35%</td> </tr> </tbody> </table>   | Asset class name | Asset allocation range | Australian Shares (long positions)<br>* Inclusive of securities listed outside of Australia up to a maximum of 20% of the Portfolio's NAV; | 90% to 125%* | Australian Shares (short positions)<br>^ Inclusive of securities listed outside of Australia up to a maximum of 10% of the Portfolio's NAV; | 0% to 25%^ | Australian securities (net) | 65% to 100% | Cash | 0% to 35% |
| Asset class name  | Asset allocation range  |                  |                        |  |              |   |            |                             |             |      |           |
| Australian Shares (long positions)<br>* Inclusive of securities listed outside of Australia up to a maximum of 20% of the Portfolio's NAV;  | 90% to 125%*  |                  |                        |  |              |   |            |                             |             |      |           |
| Australian Shares (short positions)<br>^ Inclusive of securities listed outside of Australia up to a maximum of 10% of the Portfolio's NAV; | 0% to 25%^  |                  |                        |  |              |   |            |                             |             |      |           |
| Australian securities (net)   | 65% to 100%   |                  |                        |  |              |   |            |                             |             |      |           |
| Cash  | 0% to 35%   |                  |                        |  |              |   |            |                             |             |      |           |

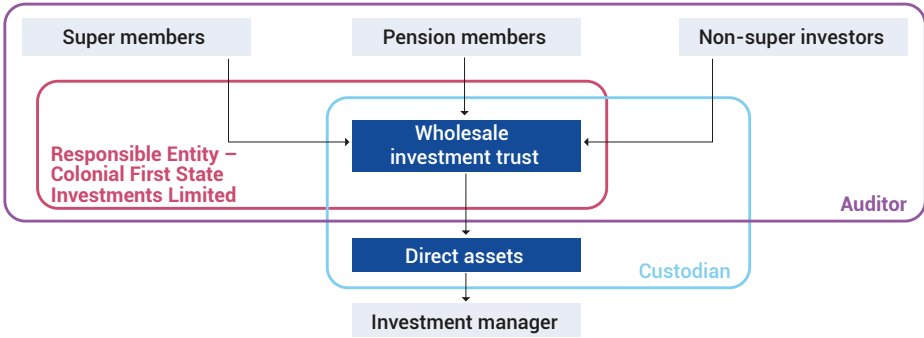


|   |  |
|---|--|
| Custodian arrangements                                  | <p>A professional custodian, Citigroup Global Markets Limited holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>  |
| Geographic location of assets or material assets        | The assets of the Fund are held by the Prime Broker/Custodian in Australia and around the world.   |
| <b>5 Liquidity</b>                                      | <b>Description</b>   |
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |
| <b>6 Leverage</b>                                       | <b>Description</b>   |
| Use of leverage and restrictions on the use of leverage | The Fund cannot use gearing to leverage the portfolio. However, the Fund's gross position can exceed 100% of net asset value where proceeds from short selling are used to fund additional long exposure. The Fund can have a gross long exposure of 125% and a gross short exposure of -25% (125/25).   |
| Source of leverage including type                       | Borrowed stock and cash via Prime Broker and derivatives (including exchange traded equity options and equity futures).  |
| Maximum allowed level of leverage                       | The Fund's maximum allowed level of leverage is 125% and a gross short exposure of -25% (125/25).<br>The maximum amount of leverage is \$1.50 (gross) per \$1 of net asset value invested in equities.   |
| Impact of leverage on investment returns and losses     | The Fund has \$125 in long positions and \$25 in short positions for every \$100 of Fund's net asset value. The gross market exposure is \$125 (longs) + \$25 (shorts) = \$150. So the leverage is $\$150 \div \$100 = 1.5$ . If long and short positions each return 10%, the return in dollar terms is: $(125) \times 0.1 + (25) \times 0.1 = \$15$ , which represents a 15% return calculated against Fund's net asset value (or 1.5 times the unleveraged return of 10%).  |
| Assets used as collateral                               | The assets of the Fund are custodied by the Prime Broker appointed by the Responsible Entity. The custodied assets allow the Prime Broker to collateralise the short positions taken by the Fund.  |
| <b>7 Derivatives</b>                                    | <b>Description</b>   |
| Purpose and rationale for the use of derivatives        | <p>A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, and forward foreign exchange contracts.</p> <p>Derivatives may be used in the management of the Fund for a range of investment activities including, but not limited to, the following purposes:</p> <ul style="list-style-type: none"> <li>• managing investment risk and volatility of a stock, security or market</li> <li>• managing currency risk and adjusting currency exposure</li> <li>• achieving asset exposures without buying or selling the underlying securities</li> <li>• creating short exposure to a stock, security or market where permitted</li> <li>• generating additional income</li> <li>• taking advantage of price differences (known as arbitrage).</li> </ul> <p>The use of derivatives is consistent with the Fund's investment guidelines and objectives.</p> <p>Uncovered derivative positions are not permitted.</p> <p>For any OTC derivatives, counterparties must have minimum long and short-term credit ratings from a recognised ratings agency that are acceptable to Perpetual.</p> |
| Types of derivatives used                               | <p>Derivatives may be used in the management of the Fund.</p> <p>The derivatives used by the Fund are mostly exchange-traded derivatives including Futures and Options.</p> <p>FX Forwards may be used for hedging purposes.</p>   |
| Criteria for engaging derivative counterparties         | <p>Perpetual Investment Management Limited strives to ensure that any business dealings with brokers and counterparties are carried out only with external parties of good character, reputation and standing. A due diligence process is carried out prior to their engagement.</p> <p>For all counterparties, there must not be concern of counterparty default, and they must meet the minimum credit rating of Long-Term Credit Rating (or counterparty Credit Rating) of A- / A3 / A- (S&amp;P / Moody's / Fitch). If the counterparty is not rated at all, it must be a wholly owned subsidiary of a company which meets the credit rating requirement. Where the security concerned is over-the-counter (OTC), a Credit Support Annexure (if not centrally cleared) accompanying executed ISDA documentation is required.</p>   |
| Key risks associated with the collateral requirements   | <p>The derivatives used by the Fund are mostly exchange-traded derivatives. Accordingly, the risks associated with collateral requirements are minimal. This is due to exchange-traded futures being centrally cleared and margined daily.</p> <p>Counterparty risk is the key risk associated with the collateral requirements of the Fund. The health of Perpetual's derivative counterparties, as well as the Fund level exposures within limits are monitored by Perpetual's independent Investment Risk team, and reported monthly to the Perpetual Investment Review Forum (oversight committee).</p> <p>Please refer to the relevant offer document for further details.</p>  |

| 8 Short selling  | Description  |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
|--|--|-------------------------------|-------|-------|--|------|------|---|----------|----------|--|-----|------|-------------------------------|---------|----------|--|---------|-----------|
| Is short-selling permitted?                                      | Yes  |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Rationale  | <p>The Fund uses short selling as a key part of its investment strategy.</p> <p>Through its shorting capability, the Fund provides diversification away from the traditional 'long only' portfolio and has been designed for investors looking for growth exposure in their investment portfolio, with the additional opportunities that shorting can provide.</p> <p>Short positions are actively monitored and may be closed if there are concerns over the market price or market liquidity.</p> <p>A stock will be purchased, closing out the short position, if:</p> <ul style="list-style-type: none"> <li>• its stop loss limit is reached</li> <li>• its valuation is no longer attractive</li> <li>• market sentiment on the stock has changed.</li> </ul>  |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Risks  | <p>The primary risks of short selling are 'Short-position risk' and 'Prime broker risk':</p> <p><b>Short-position risk</b></p> <p>A short position can be created when the Fund sells a borrowed security before buying it back from the open market to return to the securities lender. As the following example shows, if the market price of the security:</p> <ul style="list-style-type: none"> <li>• falls in value, the Fund makes a profit because it buys it back for less than it was sold</li> <li>• rises in value, the Fund will incur a loss when buying it back for more than it was sold.</li> </ul> <p><b>Example</b></p> <table border="1" data-bbox="486 701 1444 925"> <thead> <tr> <th>Number of securities borrowed</th> <th>1,000</th> <th>1,000</th> </tr> </thead> <tbody> <tr> <td>Market price when borrowed securities are sold</td> <td>\$10</td> <td>\$10</td> </tr> <tr> <td>Proceeds from sale of borrowed securities</td> <td>\$10,000</td> <td>\$10,000</td> </tr> <tr> <td>Market price when securities are repurchased to return to lender</td> <td>\$8</td> <td>\$12</td> </tr> <tr> <td>Cost to repurchase securities</td> <td>\$8,000</td> <td>\$12,000</td> </tr> <tr> <td>Profit/(loss) from short position (before any borrowing costs)</td> <td>\$2,000</td> <td>(\$2,000)</td> </tr> </tbody> </table> <p>Establishing a short position in a security involves a higher level of risk than investing in a security. This is because when you invest in a security, the maximum loss is generally limited to the amount invested. With short positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises.</p> <p>A further risk is that the securities lender may recall a borrowed security, so the Fund will have to find another securities lender willing to lend the security, or may have to buy the security quickly at an unfavourable price.</p> <p><b>Prime broker risk</b></p> <p>The Responsible Entity engages a prime broker to provide stock for the borrowing and lending of securities in Fund, as well as settlement services for these Fund and any other services agreed between the parties.</p> <p>When the Fund borrows securities or cash, the prime broker is entitled to take collateral from the assets of the Fund. Any assets taken by the prime broker may be used by the prime broker for its own purposes (including lending those assets to third parties) for the period that the Fund retains the relevant liability. Therefore, there is a risk that if the prime broker becomes insolvent whilst the Fund remains indebted to the prime broker, the assets of the Fund may not be returned in full.</p> <p>For further information on short selling risk, please refer to the relevant offer document.</p> | Number of securities borrowed | 1,000 | 1,000 | Market price when borrowed securities are sold | \$10 | \$10 | Proceeds from sale of borrowed securities | \$10,000 | \$10,000 | Market price when securities are repurchased to return to lender | \$8 | \$12 | Cost to repurchase securities | \$8,000 | \$12,000 | Profit/(loss) from short position (before any borrowing costs) | \$2,000 | (\$2,000) |
| Number of securities borrowed                                    | 1,000  | 1,000                         |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Market price when borrowed securities are sold                   | \$10   | \$10                          |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Proceeds from sale of borrowed securities                        | \$10,000   | \$10,000                      |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Market price when securities are repurchased to return to lender | \$8  | \$12                          |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Cost to repurchase securities                                    | \$8,000  | \$12,000                      |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Profit/(loss) from short position (before any borrowing costs)   | \$2,000  | (\$2,000)                     |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| 9 Withdrawals  | Description  |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Significant risk factors/limitations                             | <p>Where a Fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p>   |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |
| Changes to withdrawal rights                                     | <p>For up to date information on your account visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>   |                               |       |       |  |      |      |   |          |          |  |     |      |                               |         |          |  |         |           |

## Platinum Asia

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | <p>The Fund primarily invests in the listed securities of Asian companies. Asian companies may be listed on exchanges other than those in Asia, and the Fund may invest in those securities. The Fund may invest in companies not listed in Asia but where their predominant business is conducted in Asia. The Fund may invest in companies that benefit from exposure to the Asian economic region.</p> <p>The Fund will ideally consist of 40 to 100 securities that the manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The manager may short sell securities that it considers overvalued and may also use derivatives. The Fund will typically have 50% or more net equity exposure.</p> <p>The manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the Fund. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the Fund's net asset value. The manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions.</p> |
| Asset classes   | Global shares, fixed interest securities, derivatives and cash.  |
| Location and currency denomination of assets                    | <p><b>Location</b> – Asian region excluding Japan. The Fund primarily invests in markets included in the MSCI All Country Asia (ex Japan) Index.</p> <p><b>Currency denomination</b> – Various. The currency of the assets are typically denominated in the local markets included in the MSCI All Country Asia (ex Japan) Index, however the reporting currency of the Fund is in Australian dollars.</p>   |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) amplify the exposure of capital to an investment. The Fund may gain leveraged market exposure through the use of derivatives.</p> <p><b>Derivatives</b> – The manager may use derivatives:</p> <ul style="list-style-type: none"> <li>• for risk management purposes;</li> <li>• to take opportunities to increase returns;</li> <li>• to create a short position in a security;</li> <li>• to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions); and</li> <li>• to aid in the management of the Fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).</li> </ul> <p><b>Short selling</b> – The Fund may short sell securities and derivatives over securities that it considers to be overvalued up to a maximum of 50% of the Fund's net asset value.</p>  |
| Investment returns and assumptions                              | <p>In Platinum's opinion, investing in a broad range of companies whose businesses and growth prospects are being inappropriately valued by the market provides a foundation for long-term investment returns.</p> <p>Investing in the shares of a company is a claim on the underlying profits of a company's business. In simple terms, investment returns are determined by amongst other things: initial valuation, subsequent performance of the business, and valuation of the company at the end of the period. The assessment of a company's future prospects is a very significant and challenging part of the day-to-day process of investing. Not only do general economic conditions play a part, but issues such as the behavior of competitors, technological change, government regulation and management decisions all have a bearing on the future outcomes for a company. Also understanding the future valuation that a company will attract is no simple task as often this can change quite dramatically with changes in growth rates of earnings.</p>  |
| Risk management strategy (key aspects)                          | <p>Please refer to the relevant offer document for important information on Fund risks.</p> <p>Risk management is an integral part of good management and corporate governance practice and in relation to investment strategy, an element of risk is inevitable. Platinum has a documented Risk Management Policy based on the relevant Australian/New Zealand Risk Management Standards, ASIC and Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations incorporating a structured approach to managing and reviewing risk. Platinum manages risk associated with currency exposure through the use of hedging devices (e.g. foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.</p>  |
| Diversification guidelines and limits                           | The Fund will typically have a net equity exposure of between 50–100%. The Fund may hold shares, options for shares and convertible notes of a company traded on and outside of a recognised market. Investments in unlisted companies will be limited in aggregate to 20% of the Fund's net asset value. The Fund will ideally hold between 40 and 100 securities at any one time with limitations on holding any one individual stock. In general, the Fund will seldom invest more than 5% of the Fund's NAV in the securities of a single issuer.  |
| Investment strategy changes                                     | <p>The Fund is managed by Platinum Investment Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges.</p> <p>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.</p>  |

| 2 Investment manager   | Description  |
|--|--|
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)                  | <p>The Responsible Entity has appointed the Investment Manager to manage the Fund's assets in line with a similar pooled strategy that is also managed by the Investment Manager. The portfolio managers for the Fund are:</p> <p><b>Andrew Clifford, BCom (Hons), Dip. SIA – Portfolio Manager</b></p> <p>Andrew joined the manager as a co-founder in 1994 in the capacity of director and Co-Chief Investment Officer. Previously he was a Vice President of Bankers Trust Australia covering Asian equities and managing the BT Select Market Trust – Pacific Basin Fund. In 2013, Andrew was appointed Chief Investment Officer and in 2018 took over the role of Chief Executive Officer of the Platinum Group. Having managed the Platinum Asia Fund from its inception in 2003 to 2014, he resumed co-management duties of the fund in 2021. He currently co-manages Platinum's global strategies and Asia ex-Japan strategies.</p> <p><b>Cameron Robertson, CFA, BSc Hons, MAppFin – Portfolio Manager</b></p> <p>Cameron joined Platinum in 2010, initially focusing on resources and industrial companies, and later on the technology and communications sectors. In early 2017, Cameron was appointed as co-manager of the Platinum International Technology Fund and was later the sector lead of the technology and communications team. In April 2021, Cameron was appointed a co-manager of Platinum's Asia ex Japan strategy. Prior to Platinum he worked as an equity analyst at CP2 (formerly Capital Partners) for several years.</p> <p><b>Kirit Hira, BEng, BCom (Melbourne) – Portfolio Manager</b></p> <p>Kirit joined Platinum in 2016 as an investment analyst in the industrials and resource sector team. In December 2019, he joined the Asia regional team and became a co-portfolio manager of the Asia ex Japan strategies in October 2022. Previously, Kirit spent eight years at Macquarie Group as an oil and gas analyst covering the Australian energy sector and global gas markets. Prior to that, Kirit had worked at AMP Capital in Sydney and completed an internship at ExxonMobil in Melbourne.</p> |
| Termination of investment management agreement (IMA)   | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>   |
| 3 Fund structure   | Description  |
| Investment structure   | <p>Each fund is a managed investment scheme registered with the ASIC.</p>  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     NSI[Non-super investors] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     AUD[Auditor] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     C[Custodian] --&gt; DA   </pre>  |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Platinum Investment Management Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) is appointed as the Custodian to hold the assets of the Fund.</p>  |
| Monitoring service providers   | <p><b>Investment Manager:</b> Platinum Investment Management Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts and periodic on-site due diligence visits.</p>   |
| Fees & costs payable to the Responsible Entity & Investment Manager  | <p>The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.</p>  |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investments Limited – Australia<br/> Platinum Investment Management Limited – Australia<br/> KPMG – Australia<br/> Citibank NA (Hong Kong) – Hong Kong</p>   |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each fund's respective Custodian/Prime Broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p>  |

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

|   |  |        |
|---|--|--------|
| Valuation policy  | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |        |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value) | Global shares (listed)   | 0–100% |
|   | Global shares (unlisted)   | 0–20%  |
|   | Australian government bonds  | 0–100% |
|   | International government bonds   |        |
|   | Australian corporate bonds   | 0–100% |
|   | International corporate bonds  |        |
|   | Cash equivalent investments  | 0–100% |
|   | Cash   |        |
|   | Exchange-traded derivatives  | 0–100% |
|   | Over-the-counter derivatives   |        |
| Custodian arrangements  | <p>A professional custodian, Citibank NA (Hong Kong) holds the assets of the Fund.</p> <p>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must:</p> <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>   |        |
| Geographic location of assets or material assets  | The assets of the Fund are held by the Prime Broker/Custodian around the world.  |        |

#### 5 Liquidity

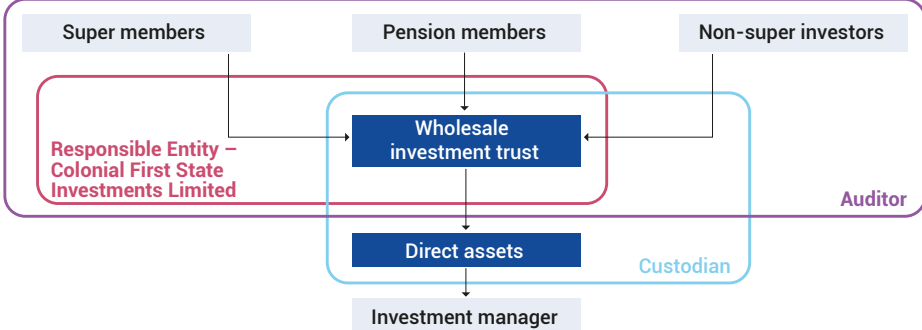
|           | Description  |
|-----------|--|
| Liquidity | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days. |

#### 6 Leverage

|   | Description   |                              |                                |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
|---|---|------------------------------|--------------------------------|------------------------------|--------------------------------|----------------|--------|---------------|--------|-------------------|--------|---------------|--------|-------|--------|---------------|--------|------------------------|---------------|----------------------|---------------|
| Use of leverage and restrictions on the use of leverage | Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) to amplify the exposure of capital to an investment. The Fund is restricted to leverage up to 150% of its net asset value. Investment restrictions in relation to the use of derivatives are detailed below under Section 7 Derivatives.  |                              |                                |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Source of leverage including type                       | The Investment Manager may use derivatives including futures, options, swaps (currency and equity), credit default swaps and related instruments, to leverage the Fund.   |                              |                                |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Maximum allowed level of leverage                       | <p>The maximum allowed leverage in the Fund is limited to 150% of the net asset value of the Fund, i.e. for every \$1 invested, the gross invested position of the Fund, taking into account all securities and derivatives held, is limited to \$1.50. For the purposes of this calculation, the underlying effective face value of the derivatives is used. Further, this limitation includes all positions and does not allow for netting of any offsetting positions.</p> <p>For every \$1.00 invested:</p> <table border="1"> <thead> <tr> <th></th> <th>Maximum allowed</th> <th>Five year range<sup>1</sup></th> <th>Five year average<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Long and Short</td> <td>\$1.50</td> <td>\$0.69–\$1.12</td> <td>\$0.87</td> </tr> <tr> <td>Long<sup>2</sup></td> <td>\$1.50</td> <td>\$0.63–\$0.95</td> <td>\$0.84</td> </tr> <tr> <td>Short</td> <td>\$0.50</td> <td>\$0.00–\$0.19</td> <td>\$0.03</td> </tr> <tr> <td><b>Net<sup>3</sup></b></td> <td><b>\$1.50</b></td> <td><b>\$0.56–\$0.94</b></td> <td><b>\$0.82</b></td> </tr> </tbody> </table> <p>1 Based on the Platinum Wholesale Asia, 1 November 2017 to 31 October 2021.<br/>                 2 Represents the exposure of physical holdings and long stock derivatives.<br/>                 3 Represents the exposure of physical holdings and both long and short derivatives.</p> |                              | Maximum allowed                | Five year range <sup>1</sup> | Five year average <sup>1</sup> | Long and Short | \$1.50 | \$0.69–\$1.12 | \$0.87 | Long <sup>2</sup> | \$1.50 | \$0.63–\$0.95 | \$0.84 | Short | \$0.50 | \$0.00–\$0.19 | \$0.03 | <b>Net<sup>3</sup></b> | <b>\$1.50</b> | <b>\$0.56–\$0.94</b> | <b>\$0.82</b> |
|   | Maximum allowed   | Five year range <sup>1</sup> | Five year average <sup>1</sup> |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Long and Short  | \$1.50  | \$0.69–\$1.12                | \$0.87                         |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Long <sup>2</sup>                                       | \$1.50  | \$0.63–\$0.95                | \$0.84                         |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Short   | \$0.50  | \$0.00–\$0.19                | \$0.03                         |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| <b>Net<sup>3</sup></b>                                  | <b>\$1.50</b>   | <b>\$0.56–\$0.94</b>         | <b>\$0.82</b>                  |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Impact of leverage on investment returns and losses     | <p>The maximum allowable leverage with greatest impact on the Fund's returns would likely be where the Fund was 150% long. In such a case, if the value of the Fund's securities (or the underlying securities of derivatives) increased in value by 10%, the increase in the Fund's unit price would be 15%.</p> <p>Conversely, a fall of 10% in the value of the Fund's securities (or the underlying securities of derivatives) would result in a fall of the Fund's unit price of 15%. It should be noted that as per the table above that the Fund has not in the past held positions of this magnitude.</p>   |                              |                                |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |
| Assets used as collateral                               | Derivative positions are collateralised with cash.  |                              |                                |                              |                                |                |        |               |        |                   |        |               |        |       |        |               |        |                        |               |                      |               |

| 7 Derivatives   | Description  |
|---|--|
| Purpose and rationale for the use of derivatives      | <p>Platinum may use derivatives:</p> <ul style="list-style-type: none"> <li>• for risk management purposes;</li> <li>• to take opportunities to increase returns;</li> <li>• to create a short position in a security;</li> <li>• to manage currency exposures;</li> <li>• to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions); and</li> <li>• to aid in the management of the Fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).</li> </ul>  |
| Types of derivatives used                             | Platinum currently uses the following derivatives: futures, options, swaps (currency and equity), credit default swaps and related instruments.  |
| Criteria for engaging derivative counterparties       | <p>Over-the-counter derivative transactions may only be entered into with counterparties that have been approved by the Investment Manager's board of directors.</p> <p>Consideration is given to the financial position and credit rating of the counterparty. Counterparties are engaged through standard market contracts such as International Swaps and Derivative Association Master Agreement.</p> <p>Prior to dealing over-the-counter derivatives excluding credit default swaps, all counterparties must have a long-term credit rating of BBB- or above. The aggregate exposure of the Fund to all OTC derivative counterparties will be no more than 5% of the net asset value of the Fund, and in any event will not exceed 10% of the net asset value of the Fund.</p>   |
| Key risks associated with the collateral requirements | <p>Trading in over-the-counter derivatives generally requires the lodgement of collateral (also known as 'credit support', such as a margin or guarantee) with the counterparty. This gives rise to counterparty risk. Financial transactions that are conducted over-the-counter generally carry greater counterparty risk than securities traded on a recognised exchange (where the other party to the transaction is the exchange's clearing house).</p> <p>Please refer to the relevant offer document for additional information on Fund risks.</p>  |
| 8 Short selling                                       | Description  |
| Is short selling permitted?                           | Yes.   |
| Rationale   | <p>The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange-traded fund). From time to time, the Investment Manager applies an active short selling strategy for the Fund. Platinum may use short selling to reduce the Fund's net invested position and to take opportunities to increase returns.</p> <p>The Investment Manager generally utilises equity swaps to short sell. A swap is a derivative contract, in which two parties (counterparties) agree to exchange payments of value (or cash flows) for another. Normally they are cash settled non-deliverable contracts (i.e. settled for profit or loss).</p> <p>The Investment Manager may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position. The investment manager may short sell shares that it considers to be overvalued up to a maximum of 50% of the Fund's net asset value.</p> |
| Risks   | <p>In taking a short position, the Investment Manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested.</p> <p>The risks associated with short selling are managed in the same way as the risks associated with holding a long security, ie thorough research, daily reporting and ongoing monitoring of positions held.</p> <p>For further information on short selling risk, please refer to the relevant offer document.</p>   |
| 9 Withdrawals   | Description  |
| Significant risk factors/limitations                  | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p>   |
| Changes to withdrawal rights                          | <p>For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | The Fund primarily invests in listed securities. The portfolio will ideally consist of 70-140 securities that the manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The manager may short sell securities that it considers overvalued and may also use derivatives. The portfolio will typically have 50% or more net equity exposure. The manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the Fund. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the Fund's net asset value. The manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions.                               |
| Asset classes   | Global shares, fixed interest, derivatives and cash.   |
| Location and currency denomination of assets                    | <b>Location</b> – Global. The Fund primarily invests in markets included in the MSCI All Country World Index.<br><b>Currency denomination</b> – Various. The currency of the assets are typically denominated in the local markets included in the MSCI All Country World Index, however the reporting currency of the Fund is the Australian dollar.  |
| Role of leverage, derivatives and short selling (if applicable) | <b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) to amplify the exposure of capital to an investment. The Fund may gain leveraged market exposure through the use of derivatives.<br><b>Derivatives</b> – The manager may use derivatives: <ul style="list-style-type: none"> <li>• for risk management purposes;</li> <li>• to take opportunities to increase returns;</li> <li>• to create a short position in a security;</li> <li>• to manage currency exposures;</li> <li>• to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions); and</li> <li>• to aid in the management of the Fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).</li> </ul> <b>Short selling</b> – The Fund may short sell securities and derivatives over securities that it considers to be overvalued. |
| Investment returns and assumptions                              | In Platinum's opinion, investing in a broad range of companies whose businesses and growth prospects are being inappropriately valued by the market provides a foundation for long-term investment returns.<br>Investing in the shares of a company is a claim on the underlying profits of a company's business. In simple terms, investment returns are determined by amongst other things: initial valuation, subsequent performance of the business, and valuation of the company at the end of the period. The assessment of a company's future prospects is a very significant and challenging part of the day-to-day process of investing. Not only do general economic conditions play a part, but issues such as the behavior of competitors, technological change, government regulation and management decisions all have a bearing on the future outcomes for a company. Also understanding the future valuation that a company will attract is no simple task as often this can change quite dramatically with changes in growth rates of earnings.                   |
| Risk management strategy (key aspects)                          | Please refer to the relevant offer document for important information on Fund risks.<br>Risk management is an integral part of good management and corporate governance practice and in relation to investment strategy, an element of risk is inevitable. Platinum has a documented Risk Management Policy based on the relevant Australian/New Zealand Risk Management Standards, ASIC and Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations incorporating a structured approach to managing and reviewing risk. Platinum manages risk associated with currency exposure through the use of hedging devices (e.g. foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.   |
| Diversification guidelines and limits                           | The Fund will typically have a net equity exposure of between 50–100%. The Fund may hold shares, options for shares and convertible notes of a company traded on and outside of a recognised market. Investments in unlisted companies will be limited in aggregate to 20% of the Fund's net asset value. The Fund will ideally hold between 70 and 140 securities at any one time that the Investment Manager believes to be undervalued by the market. In general, the Fund will seldom invest more than 5% of the Fund's NAV in the securities of a single issuer.  |
| Investment strategy changes                                     | The Fund is managed by Platinum Investment Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges.<br>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes as disclosed in the relevant offer document.   |

| 2 Investment manager   | Description   |
|--|---|
| <p>Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)</p> | <p>The Responsible Entity has appointed the Investment Manager to manage the Fund's assets in line with a similar pooled strategy that is also managed by the Investment Manager. The portfolio managers of the Fund are:</p> <p><b>Andrew Clifford, BCom (Hons), Dip. SIA – Portfolio Manager</b></p> <p>Andrew joined the manager as a co-founder in 1994 in the capacity of director and Co-Chief Investment Officer. Previously he was a Vice President of Bankers Trust Australia covering Asian equities and managing the BT Select Market Trust – Pacific Basin Fund. In 2013, Andrew was appointed Chief Investment Officer and in 2018 took over the role of Chief Executive Officer of the Platinum Group. Andrew's investment experience at Platinum has included managing/co-managing the Platinum International Technology Fund, the Platinum Asia Fund and the Platinum International Fund. He currently co-manages Platinum's global strategies and Asia ex-Japan strategies.</p> <p><b>Clay Smolinski, BCom – Portfolio Manager</b></p> <p>Clay joined the manager in 2006 having worked as an accountant for Grant Thornton. Clay joined as an analyst with responsibility for the services sector and worked on European stocks. Clay went on to manage the Platinum European Fund from 2009 to 2017 and became sector lead of the financials and services team. Clay currently manages the Platinum Global Fund (Long Only), as well as co-managing Platinum's global strategies alongside Andrew Clifford and Nikola Dvornak. He is the leader of the technology and communications sector team. Clay was promoted to co-Chief Investment Officer in April 2021.</p> <p><b>Nikola Dvornak, BCom (Hons), MCom (Hons) – Portfolio Manager</b></p> <p>Nik joined Platinum in 2006 as an analyst in the financials and services sector. He was appointed co-manager of the Platinum European Fund in 2014 and sole manager in 2017. In April 2021, Nik became a co-manager of Platinum's global strategies, including the Platinum International Fund, along with Andrew Clifford and Clay Smolinski. He remains co-manager of the Platinum European Fund and continues to cover the financials and services sector.</p> <p>Portfolio managers are investment analysts with stock research responsibilities and retain ultimate responsibility for the Fund's portfolio construction. Investment analysts not identified above may share portfolio management responsibilities with the portfolio managers. The level of their portfolio management responsibilities will vary from time to time and will be determined by the manager's Co-Chief Investment Officers in conjunction with the Head of Investment. Portfolio managers may also manage different funds. The manager's Co-Chief Investment Officers have responsibility for the implementation of the investment strategy of the Funds and the investment process across the investment team. The manager's investment personnel spend as much time as required to accomplish the investment objectives of the Fund.</p> |
| <p>Termination of investment management agreement (IMA)</p>  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>  |
| 3 Fund structure   | Description   |
| <p>Investment structure</p>  | <p>Each fund is a managed investment scheme registered with the ASIC.</p>  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     NSI[Non-super investors] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     AUD[Auditor] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     C[Custodian] --&gt; DA   </pre>  |
| <p>Key service providers</p>   | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Platinum Investment Management Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) is appointed as the Custodian to hold the assets of the Fund.</p>   |
| <p>Monitoring service providers</p>  | <p><b>Investment Manager:</b> Platinum Investment Management Limited – The Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p>   |
| <p>Fees and costs payable to the Responsible Entity and Investment Manager</p>                           | <p>The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.</p>   |



|  |  |
|--|--|
| Jurisdiction of entities involved in the fund structure  | Colonial First State Investments Limited – Australia<br>Platinum Investment Management Limited – Australia<br>KPMG – Australia<br>Citibank NA (Hong Kong) – Hong Kong  |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | Fund assets are held with each Fund's respective Custodian/Prime Broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.<br><br>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity. |

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

|   |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
|---|---|------------------------|--------|--------------------------|-------|-----------------------------|--------|--------------------------------|--|----------------------------|--|-------------------------------|--|-----------------------------|--|------|--|-----------------------------|--------|------------------------------|--|
| Valuation policy  | The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.<br><br>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).<br><br>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.<br><br>Please refer to the relevant offer document for further details. |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value) | <table border="0"> <tr> <td>Global shares (listed)</td> <td>0–100%</td> </tr> <tr> <td>Global shares (unlisted)</td> <td>0–20%</td> </tr> <tr> <td>Australian government bonds</td> <td>0–100%</td> </tr> <tr> <td>International government bonds</td> <td></td> </tr> <tr> <td>Australian corporate bonds</td> <td></td> </tr> <tr> <td>International corporate bonds</td> <td></td> </tr> <tr> <td>Cash equivalent investments</td> <td></td> </tr> <tr> <td>Cash</td> <td></td> </tr> <tr> <td>Exchange-traded derivatives</td> <td>0–100%</td> </tr> <tr> <td>Over-the-counter derivatives</td> <td></td> </tr> </table>  | Global shares (listed) | 0–100% | Global shares (unlisted) | 0–20% | Australian government bonds | 0–100% | International government bonds |  | Australian corporate bonds |  | International corporate bonds |  | Cash equivalent investments |  | Cash |  | Exchange-traded derivatives | 0–100% | Over-the-counter derivatives |  |
| Global shares (listed)  | 0–100%  |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Global shares (unlisted)  | 0–20%   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Australian government bonds   | 0–100%  |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| International government bonds  |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Australian corporate bonds  |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| International corporate bonds   |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Cash equivalent investments   |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Cash  |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Exchange-traded derivatives   | 0–100%  |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Over-the-counter derivatives  |   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Custodian arrangements  | A professional custodian, Citibank NA (Hong Kong) holds the assets of the Fund.<br><br>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must: <ul style="list-style-type: none"> <li>• satisfy ASIC that it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul>   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |
| Geographic location of assets or material assets  | The assets of the Fund are held by the Prime Broker/Custodian around the world.   |                        |        |                          |       |                             |        |                                |  |                            |  |                               |  |                             |  |      |  |                             |        |                              |  |

#### 5 Liquidity

|           | Description  |
|-----------|--|
| Liquidity | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days. |

#### 6 Leverage

|   | Description  |
|---|--|
| Use of leverage and restrictions on the use of leverage | Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) to amplify the exposure of capital to an investment. Investment restrictions in relation to the use of derivatives are detailed below under 7 Derivatives. |

|                                   |   |
|-----------------------------------|---|
| Source of leverage including type | The Investment Manager may use derivatives including futures, options, swaps (currency and equity), credit default swaps and related instruments, to leverage the Fund. |
|-----------------------------------|---|

|                                   |  |
|-----------------------------------|--|
| Maximum allowed level of leverage | The maximum allowed leverage in the Fund is limited to 150% of the net asset value of the Fund, i.e. for every \$1 invested, the gross invested position of the Fund, taking into account all securities and derivatives held, is limited to \$1.50. For the purposes of this calculation, the underlying effective face value of the derivatives is used. Further, this limitation includes all positions and does not allow for netting of any offsetting positions.<br>For every \$1.00 invested: |
|-----------------------------------|--|

|                        | Maximum allowed | Five year range <sup>1</sup> | Five year average <sup>1</sup> |
|------------------------|-----------------|------------------------------|--------------------------------|
| Long and Short         | \$1.50          | \$0.89–\$1.12                | \$1.00                         |
| Long <sup>2</sup>      | \$1.50          | \$0.75–\$0.95                | \$0.87                         |
| Short                  | \$0.50          | \$0.04–\$0.24                | \$0.13                         |
| <b>Net<sup>3</sup></b> | <b>\$1.50</b>   | <b>\$0.52–\$0.87</b>         | <b>\$0.73</b>                  |

1 Based on the Platinum Wholesale International, 1 November 2017 to 31 October 2021.

2 Represents the exposure of physical holdings and long stock derivatives.

3 Represents the exposure of physical holdings and both long and short derivatives.

|   |  |
|---|--|
| Impact of leverage on investment returns and losses   | <p>The maximum allowable leverage with greatest impact on the Fund's returns would likely be where the Fund was 150% long. In such a case, if the value of the Fund's securities (or the underlying securities of derivatives) increased in value by 10%, the increase in the Fund's unit price would be 15%.</p> <p>Conversely, a fall of 10% in the value of the Fund's securities (or the underlying securities of derivatives) would result in a fall of the Fund's unit price of 15%. It should be noted that as per the table above that the Fund has not in the past held positions of this magnitude.</p>  |
| Assets used as collateral                             | Derivative positions are collateralised with cash.   |
| <b>7 Derivatives</b>                                  | <b>Description</b>   |
| Purpose and rationale for the use of derivatives      | <p>Platinum may use derivatives:</p> <ul style="list-style-type: none"> <li>• for risk management purposes;</li> <li>• to take opportunities to increase returns;</li> <li>• to create a short position in a security;</li> <li>• to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions); and</li> <li>• to aid in the management of the Fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).</li> </ul>   |
| Types of derivatives used                             | Platinum currently uses the following derivatives: futures, options, swaps (currency and equity), credit default swaps and related instruments.  |
| Criteria for engaging derivative counterparties       | <p>Over-the-counter derivative transactions may only be entered into with counterparties that have been approved by the Investment Manager's board of directors.</p> <p>Consideration is given to the financial position and credit rating of the counterparty. Counterparties are engaged through standard market contracts such as International Swaps and Derivative Association Master Agreement.</p> <p>Prior to dealing over-the-counter derivatives excluding credit default swaps, all counterparties must have a long-term credit rating of BBB- or above. The aggregate exposure of the Fund to all OTC derivative counterparties will be no more than 5% of the net asset value of the Fund, and in any event will not exceed 10% of the net asset value of the Fund.</p>   |
| Key risks associated with the collateral requirements | <p>Trading in over-the-counter derivatives generally requires the lodgement of collateral (also known as 'credit support', such as a margin or guarantee) with the counterparty. This gives rise to counterparty risk. Financial transactions that are conducted over-the-counter generally carry greater counterparty risk than securities traded on a recognised exchange (where the other party to the transaction is the exchange's clearing house).</p> <p>Please refer to the relevant offer document for additional information on Fund risks.</p>  |
| <b>8 Short selling</b>                                | <b>Description</b>   |
| Is short selling permitted?                           | Yes.   |
| Rationale   | <p>The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange-traded fund). From time to time, the Investment Manager applies an active short selling strategy for the Fund. Platinum may use short selling to reduce the Fund's net invested position and to take opportunities to increase returns.</p> <p>The Investment Manager generally utilises equity swaps to short sell. A swap is a derivative contract, in which two parties (counterparties) agree to exchange payments of value (or cash flows) for another. Normally they are cash settled non-deliverable contracts (i.e. settled for profit or loss).</p> <p>The Investment Manager may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position. The investment manager may short sell shares that it considers to be overvalued up to a maximum of 50% of the Fund's net asset value.</p> |
| Risks   | <p>In taking a short position, the Investment Manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested.</p> <p>The risks associated with short selling are managed in the same way as the risks associated with holding a long security, ie thorough research, daily reporting and ongoing monitoring of positions held.</p> <p>For further information on short selling risk, please refer to the relevant offer document.</p>   |
| <b>9 Withdrawals</b>                                  | <b>Description</b>   |
| Significant risk factors/limitations                  | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p>   |
| Changes to withdrawal rights                          | <p>For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |

## PM Capital Enhanced Yield

| 1 Investment strategy   | Description   |
|---|---|
| Investment strategy   | The Fund aims to invest the majority of its assets in cash and interest bearing securities. The Fund will hold a minimum cash weighting of 20% of the Fund's net asset value. If the Fund cannot find suitable low risk investments, it will let the cash build up. The Fund will aim to be invested in cash and income securities, including but not limited to hybrid securities, corporate bonds and asset-backed securities (both fixed and floating rate). The Fund has the ability to minimise or hedge against interest rate, credit spread and equity risk. Therefore, derivatives may be used to synthetically create or replicate underlying positions; however, derivatives may not be used to leverage the portfolio. Such derivatives may include options, futures, swaps, credit derivatives and warrants. The Fund may employ equity strategies to a maximum of 5% of the portfolio's net asset value. PM Capital attempts to hedge all foreign currency exposure back to the Australian dollar to substantially reduce the exposure of the Fund to the risks associated with movements in foreign exchange rates. Cash is defined as physical cash held on account, investment grade deposits, term deposits and/or short dated securities with maturities of less than 12 months. Specific short dated securities include Bank Bills, Negotiable Certificate of Deposits (NCDs), corporate promissory notes, investment grade senior corporate debt and Financial Deposits (all with maturities of less than 12 months). |
| Asset classes   | Yield securities, cash, Australian shares and global shares.  |
| Location and currency denomination of assets                    | <b>Location</b> – Australia and global.<br><b>Currency denomination</b> – Predominantly hedged to AUD.  |
| Role of leverage, derivatives and short selling (if applicable) | <b>Leverage</b> – The Fund does not leverage.<br><b>Derivatives</b> – Derivatives are primarily used to hedge the foreign currency exposure of the Fund back to the Australian dollar.<br>Derivatives may also be used to hedge out interest rate risk, credit spread and equity risk or to create or replicate an underlying interest rate, credit spread and equity position.<br><b>Short selling</b> – The Fund does not short sell.   |
| Investment returns and assumptions                              | The investment strategy is to deliver returns in excess of the RBA Cash Rate by investing in a combination of cash, higher yielding securities and (to a much lesser extent) companies listed on global stock exchanges. The Fund aims to outperform the RBA Cash Rate with a low degree of volatility and minimal risk of capital loss. PM Capital's default investment position is cash. The manager would then look to identify genuine pricing anomalies within a company's capital structure, with its main investments typically in securities such as corporate bonds and hybrid securities.<br>PM Capital's initial investment time horizon is generally the maturity (or term) of the yield security however they may sell earlier if the investment's valuation exceeds what the Manager considers is appropriate. As long as a yield security continues to generate a satisfactory return, it will continue to hold the investment, unless of course the market in its opinion places an excessive valuation on the company's future cash flows, in which case the manager would sell.<br>The Fund is managed from an Australian investor's perspective with consideration for tax and currency outcomes.  |

|  |  |
|--|--|
| <p>Risk management strategy (key aspects)</p>  | <p>Please refer to the relevant offer document for important information on Fund risks.</p> <p>All of the Fund's positions are subject to intensive research and peer group review. Securities are selected on a risk reward basis where the objective is to focus on the risk of losing money before focusing on the potential return. PM Capital's default investment position is cash. The manager would then look to identify genuine pricing anomalies within a company's capital structure, with its main investments typically in securities such as corporate bonds and hybrid securities.</p> <p>The Fund will hold a minimum cash weighting of 20% of the Fund's net asset value. If the Fund cannot find suitable low risk investments, it will let the cash levels build up. If appropriate, the Fund may be 100% invested in cash.</p> <ul style="list-style-type: none"> <li>• The maximum allowable is 5% net exposure to equities.</li> <li>• Derivatives may be used for hedging purposes or to replicate underlying positions. Derivatives are actively used to manage currency risk, credit risk, equity risk and interest rate risk.</li> <li>• Any offshore currency will be predominately hedged back to Australian dollars.</li> <li>• A net limit of 5% exposure at acquisition to any single yield security issuer (excluding cash and cash equivalents or government issuers).</li> <li>• Maximum exposure to BBB flat and below rated securities is 50%.</li> <li>• Maximum exposure to Unrated Securities is 30%.</li> </ul> <p>The key risks associated with the Fund include:</p> <ul style="list-style-type: none"> <li>• the manager may stop managing the Fund or the Chief Investment Officer may leave the manager (manager risk) meaning the company may have to find a new investment manager</li> <li>• the value of the assets selected by the manager may decline in value over time (asset risk)</li> <li>• adverse changes in exchange rates (currency risk) may cause the value of the portfolio to fluctuate</li> <li>• potential volatility associated with a lack of diversity within the portfolio (concentration risk), and</li> <li>• the use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain derivatives risk).</li> </ul> <p>Investors should bear the above risks in mind when considering whether to invest in the Fund.</p> <p>In addition, investors are strongly advised to regard any investment in the Fund as a two-year proposition and be aware that substantial fluctuations in the value of their investment may occur during that period and beyond.</p> |
| <p>Diversification guidelines and limits</p>   | <p>Typically the Fund will be comprised of a combination of cash, yield securities and to a lesser extent equity strategies.</p> <p>Exposure limit guidelines</p> <p><b>Cash:</b> Minimum 20%, Maximum 100%</p> <p><b>Yield Securities:</b> Minimum 0%, Maximum 80%</p> <p><b>Australian and global shares:</b> Minimum 0%, Maximum 5%</p>   |
| <p>Investment strategy changes</p>   | <p>The Fund is managed by PM Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges.</p> <p>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |
| <p><b>2 Investment manager</b></p>   |  |
| <p>Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)</p> | <p><b>Description</b></p> <p>The Responsible Entity has appointed the Investment Manager to manage the Fund's assets in line with a similar pooled strategy that is also managed by the Investment Manager. The team members listed below spend the majority of their time implementing the strategy:</p> <p><b>Paul Moore – Chairman and Chief Investment Officer</b></p> <p>Paul Moore is the founder and Chief Investment Officer of PM Capital. Paul started the firm in August 1998 and has oversight of all of the PM Capital funds.</p> <p>Prior to PM Capital Paul worked at Bankers Trust Australia (1985-1998) as Head of the Retail International Equity Group, which was acknowledged at the time to be Australia's leading mutual fund performer.</p> <p>Education: Bachelor of Commerce (Honours) degree, majoring in Finance from the University of New South Wales.</p> <hr/> <p><b>Jarod Dawson – Director, Portfolio Manager</b></p> <p>Jarod has overall responsibility for managing the PM Capital Fixed Income business and sits on the PM Capital Board of Directors. He is responsible for construction of the income portfolios and has been the Portfolio Manager of the Enhanced Yield Fund, our income securities portfolio, since September 2004.</p> <p>Prior to joining PM Capital, Jarod spent six years with UBS Global Asset Management, the last four of which he held the title of Fixed Income Portfolio Manager and was responsible for managing and growing UBS's Credit Enhanced product suite. Before his time at UBS, Jarod spent two years at ING Funds Management, where he was responsible for managing relationships with key national firms &amp; financial advisory groups.</p> <p>Education: Bachelor of Commerce from Macquarie University and a Graduate Diploma in Applied Finance &amp; Investment from the Financial Services Institute of Australasia (FINSIA). Jarod is also a Graduate of the Australian Institute of Company Directors.</p> <hr/> <p><b>David Murray – Senior Credit Analyst</b></p> <p>David is a senior credit analyst for PM Capital, primarily focusing on the Fixed Income business. Prior to joining PM Capital in 2019, David worked as an Investment Manager for the Aberdeen Standard Investments Australian Fixed Income team where he covered a range of sectors, gaining extensive experience in financial modelling, company analysis and portfolio management. David is a CFA® charterholder and holds a Bachelor of Applied Finance from Macquarie University.</p>   |

|  |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
|--|--|----------------------------|------|------------------------|--|-----------------------------|-------|--------------------------------|--|----------------------------|--|-------------------------------|--|---------------------|--|-----------------------------|--------|------------------------------|--|-----------------------------|---------|------|--|
| Termination of investment management agreement (IMA)   | The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| <b>3 Fund structure</b>  |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Investment structure   | <p>Description</p> <p>Each fund is a managed investment scheme registered with the ASIC.</p> <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     NSI[Non-super investors] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     AUD[Auditor] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     C[Custodian] --- DA   </pre>  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> PM Capital Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) is appointed as the Custodian to hold the assets of the Fund.</p>  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Monitoring service providers   | <p><b>Investment Manager:</b> PM Capital Limited – the Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Custodian:</b> Citibank NA (Hong Kong) – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p>  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Fees and costs payable to the Responsible Entity and Investment Manager  | The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.   |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investments Limited – Australia</p> <p>PM Capital Limited – Australia</p> <p>KPMG – Australia</p> <p>Citibank NA (Hong Kong) – Hong Kong</p>   |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p>   |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| <b>4 Valuation, location and custody of assets</b>   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)                        | <table border="0"> <tr> <td>Australian shares (listed)</td> <td>0–5%</td> </tr> <tr> <td>Global shares (listed)</td> <td></td> </tr> <tr> <td>Australian government bonds</td> <td>0–80%</td> </tr> <tr> <td>International government bonds</td> <td></td> </tr> <tr> <td>Australian corporate bonds</td> <td></td> </tr> <tr> <td>International corporate bonds</td> <td></td> </tr> <tr> <td>Structured products</td> <td></td> </tr> <tr> <td>Exchange-traded derivatives</td> <td>0–100%</td> </tr> <tr> <td>Over-the-counter derivatives</td> <td></td> </tr> <tr> <td>Cash equivalent investments</td> <td>20–100%</td> </tr> <tr> <td>Cash</td> <td></td> </tr> </table>  | Australian shares (listed) | 0–5% | Global shares (listed) |  | Australian government bonds | 0–80% | International government bonds |  | Australian corporate bonds |  | International corporate bonds |  | Structured products |  | Exchange-traded derivatives | 0–100% | Over-the-counter derivatives |  | Cash equivalent investments | 20–100% | Cash |  |
| Australian shares (listed)   | 0–5%   |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Global shares (listed)   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Australian government bonds  | 0–80%  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| International government bonds   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Australian corporate bonds   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| International corporate bonds  |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Structured products  |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Exchange-traded derivatives  | 0–100%   |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Over-the-counter derivatives   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Cash equivalent investments  | 20–100%  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |
| Cash   |  |                            |      |                        |  |                             |       |                                |  |                            |  |                               |  |                     |  |                             |        |                              |  |                             |         |      |  |

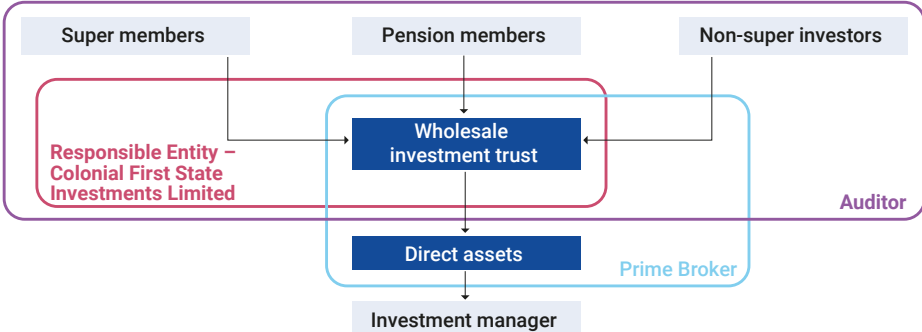
|   |  |
|---|--|
| Custodian arrangements                                  | A professional custodian, Citibank NA (Hong Kong) holds the assets of the Fund.<br>The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian. If the custodian is another company in the Commonwealth Bank Group, the Responsible Entity must: <ul style="list-style-type: none"> <li>• satisfy ASIC it is able to separate each Fund's assets from its own, and</li> <li>• satisfy itself that holding each Fund's assets in this way would be cost-effective for investors.</li> </ul> |
| Geographic location of assets or material assets        | The assets of the Fund are held by the Custodian around the world.   |
| <b>5 Liquidity</b>                                      | <b>Description</b>   |
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |
| <b>6 Leverage</b>                                       | <b>Description</b>   |
| Use of leverage and restrictions on the use of leverage | Not applicable as the Fund does not leverage.  |
| Source of leverage including type                       | Not applicable as the Fund does not leverage.  |
| Maximum allowed level of leverage                       | Not applicable as the Fund does not leverage.  |
| Impact of leverage on investment returns and losses     | Not applicable as the Fund does not leverage.  |
| Assets used as collateral                               | Not applicable as the Fund does not leverage.  |
| <b>7 Derivatives</b>                                    | <b>Description</b>   |
| Purpose and rationale for the use of derivatives        | The Fund may use derivatives for hedging purposes or to create or replicate an underlying position.<br>Derivatives may also be used to hedge the foreign currency exposure of the Fund back to the Australian dollar.  |
| Types of derivatives used                               | Exchange-traded futures and options and over-the-counter swaps, options and foreign currency forward contracts.  |
| Criteria for engaging derivative counterparties         | PM Capital adheres to a strict due diligence process which is in line with its Outsourcing Policy that is reviewed by its board.<br><br>To minimise the company's counterparty risk associated with derivative transactions, the manager will enter into derivative transactions with multiple counterparties on behalf of the company.<br><br>Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above; executed ISDA documentation must be in place between the Investment Manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.  |
| Key risks associated with the collateral requirements   | The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The Fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the Fund.<br><br>Please refer to the relevant offer document for additional information on Fund risks.   |
| Assets used as collateral                               | PM Capital will lodge equities or cash at a registered exchange for exchange-traded derivative positions. This cash or stock is held at the exchange and not otherwise encumbered by derivative counterparties.  |
| <b>8 Short selling</b>                                  | <b>Description</b>   |
| Is short selling permitted?                             | No.  |
| Rationale   | Not applicable as the Fund does not short sell.  |
| Risks   | Not applicable as the Fund does not short sell.  |
| <b>9 Withdrawals</b>                                    | <b>Description</b>   |
| Significant risk factors/limitations                    | Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.<br><br>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.<br><br>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.                  |
| Changes to withdrawal rights                            | For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.<br><br>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.   |

## PM Capital Global Companies

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | The Fund invests in a focused portfolio with approximately 25 to 45 stock-specific ideas diversified across global stock markets. The portfolio may also own interest bearing debt securities (which includes government or corporate bonds, asset-back, inflation-linked, structured, hybrid securities and tradeable loans). All the portfolio positions are subject to intensive research and peer group review. If PM Capital cannot find appropriate opportunities, the Fund will hold up to 100% cash and cash equivalents. PM Capital can use derivatives and sell stocks short to create new exposures, or as a risk management tool. Derivatives (including futures, options, swaps, credit derivatives, forwards and warrants) may also be used to synthetically create or replicate an underlying position. The level of direct shorts (where securities are borrowed and sold in the market) generally will not be in excess of 30% of the portfolio. Leverage is used on a prudent basis; for example, where gross dividend yields exceed borrowing costs. Leverage generally shall not exceed 30% of the net asset value of the Fund. The Fund is managed from an Australian investor's perspective. Tax and currency exposures are important considerations in the daily management of the Fund. PM Capital may elect to hedge up to 100% of the foreign currency exposure or remain fully exposed to any currencies in which the Fund may invest.  |
| Asset classes   | Equities, yield securities and cash.   |
| Location and currency denomination of assets                    | <b>Location</b> – Global. The goal of the Fund is not to replicate the standard industry benchmarks such as the MSCI but to invest in stock-specific ideas diversified across global stock markets.<br><b>Currency denomination</b> – Various.   |
| Role of leverage, derivatives and short selling (if applicable) | <b>Leverage</b> – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed securities) to amplify the exposure of capital to an investment. The Fund may be leveraged for risk management purposes (to either increase or decrease a Fund's exposure to markets), to take opportunities to increase returns, or to gain access to particular stock markets where investors face restrictions.<br><b>Derivatives and short selling</b> – PM Capital can use derivatives and short sell stocks to gain exposure, or as a risk management (hedging) tool. Individual short positions will be reduced if the position exceeds 3%. The Fund may have a maximum of 30% in direct shorts, where 'direct shorts' are defined as shorts that are not paired with a long position, such as a spread trade. Options strategies may be employed to reduce market risk or to enhance returns.  |
| Investment returns and assumptions                              | PM Capital's investment philosophy is based on the simple principle that the best way to preserve and enhance wealth over the longer term is to buy a good business at a good price. It is a common-sense businessperson's approach to investing, with four key ingredients: <ul style="list-style-type: none"> <li>• understand how the business works</li> <li>• understand management's philosophy in managing the business</li> <li>• understand the characteristics of the business that determine its intrinsic value, and</li> <li>• given the above, what is the reasonable price a rational businessperson would pay for the business?</li> </ul> <p>Why a rational businessperson? Because in the end it is the businessperson, the real owner of a business, that will arbitrage any differential that persists between a stock market valuation and inherent business valuation.</p> <p>The past performance of the manager is not a guide to future performance.</p> <p>There are risks inherent in the investment strategy that the manager will employ including, but not limited to:</p> <ul style="list-style-type: none"> <li>• restrictions on the ability of foreign-domiciled companies to pay principal, dividends or interest to investors located outside the country</li> <li>• the performance fee creating an incentive for the manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the company</li> <li>• the portfolio being less diversified than other similar investment Funds.</li> </ul> <p>The performance of the Fund's investment strategy is also dependent on the market conditions and may be influenced by specific risk factors as detailed for this Fund.</p> |

|  |  |
|--|--|
| <p>Risk management strategy (key aspects)</p>  | <p>Please refer to the relevant offer document for important information on Fund risks.</p> <p>All of the Fund's positions are subject to intensive research and peer group review. Stocks are selected on a risk reward basis where the objective is to focus on the risk of losing money before focusing on the potential return. Option strategies may be employed to reduce market risk or to enhance yield. However, equity derivatives (equity swaps, exchange-traded futures, options and warrants) may not be used to leverage the portfolio. Derivatives may be used for hedging purposes or to replicate underlying positions. If the Fund cannot find attractive equity investments, the Fund may be invested in cash and cash equivalents, when appropriate.</p> <p>From a risk control perspective the manager will monitor the securities positions and industry concentrations on a daily basis. The manager will also monitor the Fund's overall market exposure and, if deemed excessive, it would either rebalance or employ various strategies to reduce risk. In the long run, the best way to control risk is by owning a number of good businesses purchased at good prices, ie true diversification.</p> <p>The key risks associated with the Fund include:</p> <ul style="list-style-type: none"> <li>• the manager may stop managing the Fund or the Chief Investment Officer may leave the manager (manager risk) meaning the company may have to find a new investment manager</li> <li>• the value of the assets selected by the manager may decline in value over time (asset risk)</li> <li>• adverse changes in exchange rates (currency risk) may cause the value of the portfolio to fluctuate</li> <li>• loss of capital and income through the use of borrowing if there are adverse market movements (leverage risk)</li> <li>• potential volatility associated with a lack of diversity within the portfolio (concentration risk)</li> <li>• potential losses on short positions where the market price of the asset sold rises (short selling risk)</li> <li>• the company may pledge its securities as collateral in order to borrow funds from the Prime Broker for investment purposes. The underlying securities pledged are at risk if the Prime Broker becomes insolvent (counterparty and credit risk), and</li> <li>• the use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain (derivatives risk).</li> </ul> <p>Investors should bear the above risks in mind when considering whether to invest in the Fund.</p> <p>In addition, investors are strongly advised to regard any investment in the Fund as a long-term proposition (at least seven years) and be aware that substantial fluctuations in the value of their investment may occur during that period and beyond.</p> |
| <p>Diversification guidelines and limits</p>   | <p>The Fund will hold a concentrated portfolio of global equities, typically 25 to 45 stock-specific ideas. Individual equity positions may be purchased up to a limit of 10% of the Fund's market value.</p> <p>The net equity exposure maximum is 110%, defined as long equity minus short equity, and is calculated on a net effective, option adjusted basis.</p> <p>The maximum gross exposure is 170%, defined as long equity plus short equity plus bonds.</p> <p>The maximum allocation to interest bearing debt is 30% (includes interest bearing debt securities and hybrid securities).</p> <p>If PM Capital cannot find attractive equity investments it will let cash levels build up. When appropriate, the Fund may be 100% invested in cash and cash equivalents (short dated securities with maturities 1 year or less).</p>  |
| <p>Investment strategy changes</p>   | <p>The Fund is managed by PM Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges.</p> <p>Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>  |
| <p><b>2 Investment manager</b></p>   |  |
| <p>Key personnel (relevant experience, and proportion of time devoted to implementation of strategy)</p> | <p><b>Description</b></p> <p>The Responsible Entity has appointed the Investment Manager to manage the Fund's assets in line with a similar pooled strategy that is also managed by the Investment Manager. The team members listed below spend the majority of their time implementing the strategy:</p> <p><b>Paul Moore – Chairman and Chief Investment Officer</b></p> <p>Paul Moore is the founder and Chief Investment Officer of PM Capital. Paul started the firm in August 1998 and has oversight of all of the PM Capital funds.</p> <p>Prior to PM Capital Paul worked at Bankers Trust Australia (1985-1998) as Head of the Retail International Equity Group, which was acknowledged at the time to be Australia's leading mutual fund performer.</p> <p>Education: Bachelor of Commerce (Honours) degree, majoring in Finance from the University of New South Wales.</p>  |
| <p>Termination of investment management agreement (IMA)</p>  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>   |



| 3 Fund structure   | Description  |
|--|--|
| Investment structure   | <p>Each fund is a managed investment scheme registered with the ASIC.</p>  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     NSI[Non-super investors] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     AUD[Auditor] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     PB[Prime Broker] --- DA     </pre>  |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> PM Capital Limited is the appointed investment manager to manage the Fund's assets.</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Prime Broker:</b> Goldman Sachs International acts as a global Prime Broker for the Fund.</p>   |
| Monitoring service providers   | <p><b>Investment Manager:</b> PM Capital Limited – the Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Prime Broker:</b> Goldman Sachs International – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p> |
| Fees and costs payable to the Responsible Entity and Investment Manager  | <p>The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.</p>  |
| Jurisdiction of entities involved in the fund structure  | <p>Colonial First State Investments Limited – Australia<br/> PM Capital Limited – Australia<br/> KPMG – Australia<br/> Goldman Sachs International – United Kingdom</p>  |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Prime Broker. The appointed investment manager may pledge the Fund's assets (cash and/or securities) as collateral in order to borrow funds from the Prime Broker for investment purposes. The securities that are pledged in trading accounts are subject to counterparty and credit risk if the Prime Broker becomes insolvent. Additional information on risks associated with the Fund's structure can be found in the relevant offer document.</p> <p>All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p>  |

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

|  |  |  |        |  |       |   |        |                                     |        |
|--|--|--|--------|--|-------|---|--------|-------------------------------------|--------|
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p>   |  |        |  |       |   |        |                                     |        |
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)  | <table border="0"> <tr> <td data-bbox="454 1727 1356 1839">           Australian shares (listed)<br/>           Australian shares (unlisted)<br/>           Global shares (listed)<br/>           Global shares (unlisted)         </td> <td data-bbox="1356 1727 1487 1839" style="text-align: right; vertical-align: top;">0–110%</td> </tr> <tr> <td data-bbox="454 1839 1356 1995">           Australian government bonds<br/>           International government bonds<br/>           Australian corporate bonds<br/>           International corporate bonds<br/>           Structured products<br/>           Hybrids         </td> <td data-bbox="1356 1839 1487 1995" style="text-align: right; vertical-align: top;">0–30%</td> </tr> <tr> <td data-bbox="454 1995 1356 2051">           Exchange-traded derivatives<br/>           Over-the-counter derivatives         </td> <td data-bbox="1356 1995 1487 2051" style="text-align: right; vertical-align: top;">0–100%</td> </tr> <tr> <td data-bbox="454 2051 1356 2107">           Cash<br/>           Cash equivalent investments         </td> <td data-bbox="1356 2051 1487 2107" style="text-align: right; vertical-align: top;">0–100%</td> </tr> </table> | Australian shares (listed)<br>Australian shares (unlisted)<br>Global shares (listed)<br>Global shares (unlisted) | 0–110% | Australian government bonds<br>International government bonds<br>Australian corporate bonds<br>International corporate bonds<br>Structured products<br>Hybrids | 0–30% | Exchange-traded derivatives<br>Over-the-counter derivatives | 0–100% | Cash<br>Cash equivalent investments | 0–100% |
| Australian shares (listed)<br>Australian shares (unlisted)<br>Global shares (listed)<br>Global shares (unlisted)   | 0–110%   |  |        |  |       |   |        |                                     |        |
| Australian government bonds<br>International government bonds<br>Australian corporate bonds<br>International corporate bonds<br>Structured products<br>Hybrids | 0–30%  |  |        |  |       |   |        |                                     |        |
| Exchange-traded derivatives<br>Over-the-counter derivatives  | 0–100%   |  |        |  |       |   |        |                                     |        |
| Cash<br>Cash equivalent investments  | 0–100%   |  |        |  |       |   |        |                                     |        |

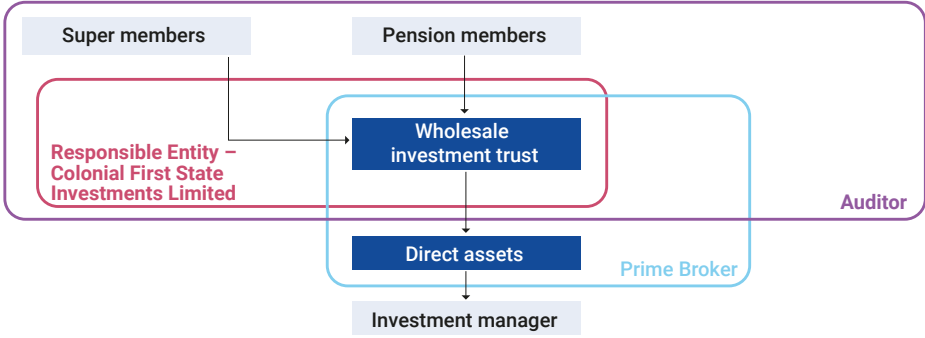
|   |  |
|---|--|
| Custodian arrangements                                  | <p>A professional Prime Broker, Goldman Sachs International may hold the assets of the Fund in trading accounts and/or in a segregated custody account.</p> <p>The Prime Broker is appointed and contracted by Colonial First State Investments Limited, the Responsible Entity. The appointed investment manager may pledge the Fund's assets (cash and/or securities) as collateral in order to borrow funds from the Prime Broker for investment purposes. The securities that are pledged in trading accounts are subject to counterparty and credit risk if the Prime Broker becomes insolvent. Additional information on risks associated with the Fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity. Broker arrangements may change from time to time however any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in Prime Broker.</p> |
| Geographic location of assets or material assets        | The assets of the Fund are held by the Prime Broker around the world.  |
| <b>5 Liquidity</b>                                      | <b>Description</b>   |
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |
| <b>6 Leverage</b>                                       | <b>Description</b>   |
| Use of leverage and restrictions on the use of leverage | Leverage may be used on what is judged by PM Capital as a prudent basis (for example, taking advantage of gross dividend and income yields that may exceed borrowing costs). PM Capital has determined that the net invested position of the Fund shall generally not exceed the net asset value of the Fund by greater than 30%.  |
| Source of leverage including type                       | Borrowed stock and cash via Prime Broker.  |
| Maximum allowed level of leverage                       | <p>The maximum anticipated total gross invested position of the Fund is 170%. The maximum anticipated amount of leverage is \$0.70 (gross) per \$1 of net asset value.</p> <p>The Fund's net effective exposure would typically run between 100% and 110% with a maximum of 130%.</p>  |
| Impact of leverage on investment returns and losses     | An investor who buys an investment at the Fund's maximum allowable net invested position of 130% will lose 65% of their money if the investment falls 50%. Conversely, the investor will realise a 65% gain on their money if the investment rises 50%. This worked example shows the impact of leverage, which multiplies gains and losses on investment returns.   |
| Assets used as collateral                               | Cash and stock may be posted as collateral with the Prime Broker from time to time.  |
| <b>7 Derivatives</b>                                    | <b>Description</b>   |
| Purpose and rationale for the use of derivatives        | <p>Derivative strategies may be employed to reduce market risk or to enhance returns. However, equity derivatives (equity swaps, exchange-traded futures, options and warrants) may not be used to leverage the portfolio. Derivatives may be used for hedging purposes or to replicate underlying positions.</p> <p>Currency derivatives may be used to hedge an existing exposure or create a new synthetic currency exposure (within the maximum individual currency exposure limit of +/- 100% of the Fund's net asset value).</p>   |
| Types of derivatives used                               | Exchange-traded futures and options and over-the-counter swaps, options and foreign currency forward contracts.  |
| Criteria for engaging derivative counterparties         | <p>PM Capital adheres to a strict due diligence process which is in line with the Investment Manager's Outsourcing Policy that is reviewed by its board.</p> <p>To minimise the company's counterparty risk associated with derivative transactions, the Investment Manager will enter into derivative transactions with multiple counterparties (including the Prime Broker) on behalf of the company.</p> <p>All derivatives are backed by collateral, like cash or other assets of the Fund. The collateral for exchange traded derivatives is held by a third-party central clearing facility.</p> <p>Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above; executed ISDA documentation must be in place between the Investment Manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.</p>   |
| Key risks associated with the collateral requirements   | <p>The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The Fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the Fund.</p> <p>Please refer to the relevant offer document for additional information on Fund risks.</p>  |
| <b>8 Short selling</b>                                  | <b>Description</b>   |
| Is short selling permitted?                             | Yes.   |
| Rationale   | Short selling is used in two ways: opportunistically, to take short positions in equities that the manager believes will have material downside, and as a risk management tool via pairs trading or via index shorts.  |
| Risks   | <p>The main risk of short selling is unlimited downside risk (losses can be infinite), hence PM Capital employs limits to manage such risks. Individual short positions may be sold up to a limit of 3.0% at market value.</p> <p>The Fund may have a maximum of 30% in direct shorts, where 'direct shorts' are defined as short positions that are not paired with a long position, such as a spread trade. All positions are monitored on a daily basis.</p> <p>For further information on short selling risk, please refer to the relevant offer document.</p>   |

| 9 Withdrawals                        | Description  |
|--------------------------------------|--|
| Significant risk factors/limitations | <p>Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.</p> <p>Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes.</p> <p>Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.</p> |
| Changes to withdrawal rights         | <p>For up to date information on your account, visit our website <a href="https://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36.</p> <p>Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>   |

## Sage Capital Equity Plus

| 1 Investment strategy   | Description  |
|---|--|
| Investment strategy   | <p>This is an Australian equity long/short strategy with the main asset class held by the Fund being Australian listed shares, as well as cash and cash equivalent instruments, other equity like securities and exchange traded derivatives. The Fund may have between 90% and 150% of its NAV invested in long positions with any additional exposure funded by 0% to 50% of its NAV invested in short positions. On balance, the Fund maintains an exposure to the Australian equity market of between 90% and 100%.</p> <p>Sage Capital seeks to deliver returns in excess of the Fund Benchmark (S&amp;P/ASX200 Accumulation Index) by profiting from market inefficiencies through the application of an investment process driven by experience, insight and scalable systems. Investment markets are a highly complex set of interactions across the global economy, focused down into asset prices. Successful investing requires the ability to navigate the flow of financial information. A rigorous investment process to analyse incremental data and identify key decision points is essential, and therefore is the foundation of the Fund's investment philosophy.</p>  |
| Asset classes   | Australian listed shares, cash, cash equivalent instruments, other equity like securities and exchange traded derivatives.   |
| Location and currency denomination of assets                    | <p><b>Location</b> – Australia</p> <p><b>Currency denomination</b> – AUD.</p>  |
| Role of leverage, derivatives and short selling (if applicable) | <p><b>Leverage</b> – Although the Fund will borrow stock from the Prime Broker to enable short positions as part of the investment strategy, the Fund does not leverage by borrowing cash or using derivatives to increase exposure of capital.</p> <p><b>Derivatives</b> – Exchange traded derivatives are used by the Fund to manage the cash and market and/or company exposure in the portfolio. Derivatives used will be covered by cash (delta adjusted), physical securities or a combination of both.</p> <p>The most common derivatives used by the Fund are futures over Australian shares. In the Fund, derivatives will only be used for hedging purposes rather than to leverage the Fund.</p> <p><b>Short selling</b> – Short selling will be undertaken by the Fund and is an integral part of the investment strategy. Although the Fund will always be aggregate net long assets, the Fund may have between 0% and 50% of its net assets invested in short positions.</p> <p>To create a short position, the Fund will borrow a security from the Prime Broker and sell it with the intention of repurchasing the security when the price of the security falls.</p>  |
| Investment returns and assumptions                              | <p>The Sage Capital stock selection process utilises two complementary sources of return. It employs both a quantitative and a fundamental process. The objective of both processes is to identify companies that will deliver superior earnings outcomes on an attractive risk/reward basis. The quantitative process does this by exploiting behavioural biases that exist within the market. These biases mean that investors often misjudge the implications of available information and a consistent application of specific factors, including momentum, value and quality, can drive excess portfolio returns. The fundamental approach identifies companies that operate within stable and attractive industry dynamics with strong reinvestment opportunities, are well managed with strong balance sheets and maintain good governance practices. They will generally be attractively valued for their growth and risk characteristics and offer strong opportunities for capital growth through earnings uplift and enhanced valuations.</p> <p>The strength of the quantitative process is the objectivity and breadth that it brings to stock selection while the fundamental approach gives more detailed high conviction views. The two approaches are weighted to give a roughly equal contribution to stock selection. This investment process is symmetric, meaning that it highlights poorly performing companies just as often as good ones, which provides shorting opportunities under the long/short structure.</p> <p>Diversification is a key attribute of the Sage Capital portfolio construction process and a suite of sophisticated risk management tools are employed to ensure that the impact of unexpected risks is minimised.</p> |
| Risk management strategy (key aspects)                          | <p>Portfolio risk is managed across several dimensions. The portfolio risk relative to market movements is constrained so that the portfolio 'beta' is close to one. That is, the portfolio will on average be highly correlated with the market. Exposure to significant style factors is constrained by splitting the portfolio into eight broad 'Sage Groups' Dollar and beta exposures to these groups is constrained so that the portfolio is not unduly influenced by large macroeconomic shifts or shocks. Diversification is also an important risk management strategy to limit the impact of any one particular stock selection decision. This is achieved by maintaining a broad range of long and short positions. Lastly, liquidity risk is controlled by limiting individual stock position size by average daily volume. This enables the portfolio to rebalance quickly to sudden shifts in investment fundamentals.</p>   |

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| Diversification guidelines and limits   | <p>The Fund will invest in a portfolio of securities that are listed on the ASX, or expected to be listed within a 90-day period;</p> <ul style="list-style-type: none"> <li>• Long position exposure: Between 90% and 150% of the NAV;</li> <li>• Short position exposure: Between 0% and 50% of the NAV;</li> <li>• Effective equities exposure (Net): Between 90% and 100% of the NAV;</li> <li>• Cash and cash equivalents exposure: Between 0% and 10% of the NAV;</li> <li>• Relative (to Fund Benchmark) weight exposure: 5% at the time of initial transaction and up to 6% after allowing for market price movements after the initial transaction;</li> <li>• Benchmark weight exposure: At least 90% of the Fund's NAV will be invested in securities that are constituents of the Fund Benchmark (or are expected to be within 90 days of purchase);</li> <li>• The Fund will not borrow, except by using overdraft facilities as and when required for the efficient settlement of transactions; and</li> <li>• The Fund is permitted to use derivatives: Between 0% and 10% of the NAV. Derivatives are used for hedging purposes only rather than to leverage the Fund. All derivatives used will be exchange traded and covered by cash, physical securities or a combination of both. Futures may be used to maintain market exposure when cash is held in the Fund. The investment guidelines as set out above may not be met or exceeded from time to time due to investor cashflows, market movements or other similar events. If this occurs, Sage Capital will promptly seek to bring the portfolio into line with the specified guidelines.</li> </ul>  |
| Investment strategy changes   | <p>The Fund is managed by Sage Capital Pty Ltd on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an Investment Manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.</p>   |
| <b>2 Investment manager</b>   |  |
|   | <b>Description</b>   |
| Key personnel (relevant experience, and proportion of time devoted to implementation of strategy) | <p>Sage Capital is led by Sean Fenton, Managing Director and Portfolio Manager for the Fund who is supported by three senior, highly credentialed and experienced Portfolio Managers. The Sage Capital investment team has a combined investment experience of more than 60 years gained from diverse and complimentary careers in equities, including research, analysis and portfolio management. The investment team also brings together experience and knowledge in quantitative and fundamental research as well as global equities, macro, asset allocation, small caps and micro caps. They have worked together in previous roles with generally a four to six year overlap.</p> <p>Sean is the Managing Director and founder of Sage Capital. Sean is a highly experienced fundamental and quantitative investor, with more than 20 years industry experience managing Australian equity investment mandates. Sean is a career portfolio manager and equities investor. Sean has managed Australian equity funds since 1997 and has been managing long/ short equity portfolios since 2000 on behalf of institutional, family office and retail investors. Prior to founding Sage Capital in June 2019, Sean was Portfolio Manager at Tribeca Investment Partners for 14 years where he managed the long/ short strategy since its inception in 2006. Prior to Tribeca, Sean spent seven years at AMP Capital as a Senior Portfolio Manager co-managing the quantitative equities fund. Sean commenced his investment career at Credit Suisse where he spent four years evaluating companies (sell side) and providing equity strategy research. Sean holds a Bachelor of Commerce (Finance) with First Class Honours from the University of New South Wales and is a Graduate of the Australian Institute of Company Directors. Sean is supported by three highly credentialed and experienced equities investors, James Delaney, Kelli Meagher and Peter Moore.</p> <p>James is a Portfolio Manager and responsible for specific sector company analysis. James has over eight years investment experience and joined Sage Capital at its inception in June 2019. Prior to this, James spent over five years as an Investment Analyst with Tribeca Investment Partners covering Financials, Telecommunications, Technology and Real Estate sectors. Prior to Tribeca, James worked as an Investment Analyst at Metisq Capital, a Fidante subsidiary of Challenger Group, covering the Australian market as part of the Asia Pacific equities team. He began his career as a Junior Analyst at Frontier Advisors in 2007.</p> <p>James is a CFA Charterholder and has a Bachelor of Commerce (Finance) with First Class Honours from Monash University. Kelli is a Portfolio Manager and responsible for specific sector company analysis. Kelli has over 20 years' experience as an Analyst and Portfolio Manager in the Australian and US equity markets across small, mid and large caps.</p> <p>Kelli is a Portfolio Manager and responsible for specific sector company analysis. Kelli has over 20 years' experience as an Analyst and Portfolio Manager in the Australian and US equity markets across small, mid and large caps.</p> <p>Kelli joined Sage Capital at its inception in June 2019. Kelli has previously held senior roles at AMP Capital where she was Analyst/Portfolio Manager for Australian large and small cap funds, Janus Henderson where she managed a US Small cap fund, and Northcape Capital where she was Portfolio Manager and Analyst for the small and mid-cap funds. Most recently Kelli was a Senior Equities Analyst at Platypus Asset Management.</p> <p>Kelli holds a Bachelor of Commerce degree, is a CFA Charterholder and is a graduate of the Australian Institute of Company Directors. Peter is a Portfolio Manager and responsible for quantitative systems, trading and portfolio execution. Peter is an experienced Quantitative Analyst with over eight years of financial industry experience. Peter joined Sage Capital at its inception in June 2019. Prior to this he spent over three years at Tribeca Investment Partners where he was responsible for developing quantitative strategies for a long/short Australian equity strategy and previously developing and jointly running a global macro fund. He previously worked at Boronia Capital as a Quantitative Researcher developing systematic trading strategies in global futures and foreign exchange markets.</p> <p>Peter holds a PhD in Mechanical Engineering from Delft University of Technology and Honours in Applied Mathematics from the University of Sydney where he was awarded a University Medal. At least 90% of the time of each of Sean, James, Kelli and Peter is spent on investment activities across Sage Capital's investment strategies. No significant adverse regulatory findings have been attributed to Sage Capital or each of Sean, James, Kelli and Peter.</p> |
| Termination of investment management agreement (IMA)  | <p>The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.</p>   |

| 3 Fund structure   | Description  |
|--|--|
| Investment structure   | <p>Each fund is a managed investment scheme registered with the ASIC.</p>  <pre> graph TD     SM[Super members] --&gt; WIT[Wholesale investment trust]     PM[Pension members] --&gt; WIT     RE[Responsible Entity - Colonial First State Investments Limited] --&gt; WIT     WIT --&gt; DA[Direct assets]     DA --&gt; IM[Investment manager]     WIT --- A[Auditor]     DA --- PB[Prime Broker]     </pre>   |
| Key service providers  | <p><b>Responsible Entity and Administrator:</b> Colonial First State Investments Limited.</p> <p><b>Investment Manager:</b> Sage Capital is the appointed investment manager to manage the Fund's assets</p> <p><b>Fund Auditor:</b> KPMG is the registered company auditor for the Fund. The auditor's role is to audit the Fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements.</p> <p><b>Prime Broker:</b> UBS AG, Australia Branch – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p>   |
| Monitoring service providers   | <p><b>Investment Manager:</b> Sage Capital Pty Ltd – the Responsible Entity has in place an Investment Management Agreement (IMA) with the Investment Manager that sets out the operational, investment and compliance requirements of the Investment Manager. The Investment Manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations.</p> <p><b>Fund Auditor:</b> KPMG – CFSIL's management has regular meetings with the Fund's auditor on the progress of the functions performed by the Fund's auditor in accordance with the service agreement.</p> <p><b>Prime Broker:</b> UBS AG, Australia Branch – Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.</p>  |
| Fees and costs payable to the Responsible Entity and Investment Manager  | <p>The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.</p>  |
| Jurisdiction of entities involved in the fund structure  | <p>Channel Investment Management Limited – Australia<br/> Colonial First State Investment Limited – Australia<br/> Sage Capital Pty Ltd – Australia<br/> KPMG – Australia<br/> Morgan Stanley – Australia<br/> UBS AG – Australia</p>  |
| Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets) | <p>Fund assets are held with each Fund's respective Custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the Fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.</p>  |
| 4 Valuation, location and custody of assets  |  |
| Valuation policy   | <p>The Responsible Entity manages all applications and redemptions, the share registry as well as the Fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.</p> <p>There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).</p> <p>The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.</p> <p>Please refer to the relevant offer document for further details.</p> |

|   |  |              |                    |           |  |           |  |           |  |           |           |                 |
|---|--|--------------|--------------------|-----------|--|-----------|--|-----------|--|-----------|-----------|-----------------|
| Asset types and allocation ranges (expressed as a percentage of the fund's net asset value) | <b>Asset Class</b>   | <b>Range</b> |                    |           |  |           |  |           |  |           |           |                 |
|   | Australian Equities (long)   | 90–150%      |                    |           |  |           |  |           |  |           |           |                 |
|   | Australian Equities (short)  | 0–50%        |                    |           |  |           |  |           |  |           |           |                 |
|   | Australian Equities (net)  | 90–150%      |                    |           |  |           |  |           |  |           |           |                 |
|   | Cash and cash equivalents  | 0–10%        |                    |           |  |           |  |           |  |           |           |                 |
|   | Derivatives  | 0–10%        |                    |           |  |           |  |           |  |           |           |                 |
| Custodian arrangements  | <p>A professional Prime Broker, UBS AG, may hold the assets of the Fund in trading accounts and/or in a segregated custody account.</p> <p>The Prime Broker is appointed and contracted by Colonial First State Investments Limited, the Responsible Entity. The appointed investment manager may pledge the Fund's assets (cash and/or securities) as collateral in order to borrow funds from the Prime Broker for investment purposes. The securities that are pledged in trading accounts are subject to counterparty and credit risk if the Prime Broker becomes insolvent. Additional information on risks associated with the Fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity and Trustee. Broker arrangements may change from time to time however any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in Prime Broker.</p>   |              |                    |           |  |           |  |           |  |           |           |                 |
| Geographic location of assets or material assets  | The assets of the Fund are held by the Prime Broker in Australia.  |              |                    |           |  |           |  |           |  |           |           |                 |
| <b>5 Liquidity</b>  |  |              |                    |           |  |           |  |           |  |           |           |                 |
|   | <b>Description</b>   |              |                    |           |  |           |  |           |  |           |           |                 |
| Liquidity   | The Responsible Entity reasonably expects to be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.   |              |                    |           |  |           |  |           |  |           |           |                 |
| <b>6 Leverage</b>   |  |              |                    |           |  |           |  |           |  |           |           |                 |
|   | <b>Description</b>   |              |                    |           |  |           |  |           |  |           |           |                 |
| Use of leverage and restrictions on the use of leverage                                     | Although the Fund will borrow stock from the Prime Broker to enable short positions as part of the investment strategy, the Fund does not leverage by borrowing cash or using derivatives to increase exposure of capital.   |              |                    |           |  |           |  |           |  |           |           |                 |
| Source of leverage including type   | Borrowed equity shares.  |              |                    |           |  |           |  |           |  |           |           |                 |
| Maximum allowed level of leverage   | The aggregate maximum anticipated level of gross exposure is 200% (long position of 150% plus short position of 50%) the NAV of the Fund, that is, for every \$1 of NAV the combined value of the Fund's gross exposure may be up to \$2.  |              |                    |           |  |           |  |           |  |           |           |                 |
| Impact of leverage on investment returns and losses   | <p>The short positions and long positions offset each other to the extent that net exposure to Australian equities cannot exceed 100%. The performance of the Fund relative to the Fund Benchmark will be magnified compared to a comparable long only fund. That is, the additional gross exposure enables the Fund to run at a higher tracking error and magnifies Sage Capital's stock selection ability relative to the Fund Benchmark.</p> <p>Provided below is an example of how this leverage (increased gross exposure) affects the performance of the Fund and in particular, how the use of this magnified exposure increases the size of any potential gains or losses of the Fund.</p> <p><b>Example 2: Maximum leverage (200% gross, 100% net), value of all investments appreciate 10%.</b></p> <table border="1"> <tr> <td>Initial investment</td> <td>\$100,000</td> </tr> <tr> <td>Gross invested position (\$150,000 long, \$50,000 short)</td> <td>\$200,000</td> </tr> <tr> <td>Gross reliable value after market change</td> <td>\$220,000</td> </tr> <tr> <td>Net reliable value after market change</td> <td>\$120,000</td> </tr> <tr> <td>Gain/loss</td> <td><b>\$20,000</b></td> </tr> </table> |              | Initial investment | \$100,000 | Gross invested position (\$150,000 long, \$50,000 short) | \$200,000 | Gross reliable value after market change | \$220,000 | Net reliable value after market change | \$120,000 | Gain/loss | <b>\$20,000</b> |
| Initial investment  | \$100,000  |              |                    |           |  |           |  |           |  |           |           |                 |
| Gross invested position (\$150,000 long, \$50,000 short)                                    | \$200,000  |              |                    |           |  |           |  |           |  |           |           |                 |
| Gross reliable value after market change  | \$220,000  |              |                    |           |  |           |  |           |  |           |           |                 |
| Net reliable value after market change  | \$120,000  |              |                    |           |  |           |  |           |  |           |           |                 |
| Gain/loss   | <b>\$20,000</b>  |              |                    |           |  |           |  |           |  |           |           |                 |
| Assets used as collateral   | <p>The Fund may use the assets of the Fund as security for any monies and securities borrowed or collateral for Derivatives or Short Selling. The Fund's obligations to the Prime Broker will be secured by way of a first fixed charge over the assets the Prime Broker has in its custody. In addition, the Fund's obligations to the Prime Broker in respect of any financing lines and short selling facilities will be secured by transferring to the Prime Broker all rights, title and interest in and to certain of the assets identified for such purposes by the Prime Broker as collateral. With respect to exchange traded derivatives, the exchange does not take similar security, however, the Fund is subject to initial and subsequent margin calls which are required to be paid by the Fund.</p>  |              |                    |           |  |           |  |           |  |           |           |                 |
| <b>7 Derivatives</b>  |  |              |                    |           |  |           |  |           |  |           |           |                 |
|   | <b>Description</b>   |              |                    |           |  |           |  |           |  |           |           |                 |
| Purpose and rationale for the use of derivatives  | Exchange traded derivatives are used by the Fund to manage the cash and market and/or company exposure in the portfolio. Derivatives used will be covered by cash (delta adjusted), physical securities or a combination of both.  |              |                    |           |  |           |  |           |  |           |           |                 |
| Types of derivatives used   | The most common derivatives used by the Fund are futures over Australian shares.   |              |                    |           |  |           |  |           |  |           |           |                 |
| Criteria for engaging derivative counterparties   | Although Sage Capital may choose to enter into derivative transactions with other counterparties, as at the date of this PDS the Fund's only derivative counterparty will be the Prime Broker. Any new counterparties must be formally approved by CFSIL. No transaction may be entered into with a counterparty that has not previously been approved by CFSIL.   |              |                    |           |  |           |  |           |  |           |           |                 |
| Key risks associated with the collateral requirements                                       | Derivatives can expose the Fund to risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security), basis risk (the risk that the value of the derivative moves independently from the value of the underlying security or securities) and liquidity risk. In the Fund, derivatives will only be used for hedging purposes rather than to leverage the Fund.  |              |                    |           |  |           |  |           |  |           |           |                 |

| 8 Short selling                      |   |
|--------------------------------------|---|
|                                      | Description   |
| Is short selling permitted?          | Yes.  |
| Rationale                            | Short selling will be undertaken by the Fund and is an integral part of the investment strategy. Although the Fund will always be aggregate net long assets, the Fund may have between 0% and 50% of its net assets invested in short positions.  |
| Risks                                | <p>An inherent risk in short selling is that when a security is borrowed and sold short, a loss is incurred if the price of the security rises. This loss is magnified (and can be greater than the initial purchase price) if the price of the security continues to rise. This type of risk is primarily managed through portfolio diversification. A broad exposure to a range of securities on both the long and short side will prevent single stock risk from having an undue impact. The fact that short sales are reinvested into long positions means that the portfolio's exposure to rising or falling markets is unchanged. Portfolio management oversight also ensures that stock exposures are maintained at the desired level on a day-to-day basis.</p> <p>A further risk to short selling is that the Prime Broker may recall a security that the Fund has borrowed on short notice. This will mean that the Fund may have to repurchase the security and may incur a loss as a result of having to buy the security to meet its obligations to the Prime Broker. The Prime Broker will generally hold a buffer of stock in reserve to minimise the risk of recalls and will communicate when the stock borrow pool is tightening. Tightness is also visible through higher stock borrowing fees. A stock recall is a rare occurrence and risk is mitigated by maintaining a high level of portfolio diversification to minimise single stock risk and by maintaining a strong focus on liquidity to minimise market impact cost when trading.</p> |
| 9 Withdrawals                        |   |
|                                      | Description   |
| Significant risk factors/limitations | Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless an investment fund is suspended, restricted or unavailable, investors may withdraw from an investment fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.   |
| Changes to withdrawal rights         | For up to date information on your account, visit our website <a href="http://cfs.com.au">cfs.com.au</a> or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.   |



