

# Notice of Meeting and Explanatory Memorandum

## Altius Sustainable Bond Fund (ARSN 601 618 179) (Fund)

**IMPORTANT NOTICE:** This is an important notice that requires your urgent attention. Please read the information in this Notice and Explanatory Memorandum carefully. If after reading this Notice of Meeting and Explanatory Memorandum you are in any doubt as to the course of action you wish to take, you should contact your financial adviser as soon as possible.

The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute a personal recommendation by Australian Unity Funds Management Limited (**AUFM**), or any of its affiliates, in relation to any financial product or service. The Notice of Meeting and Explanatory Memorandum has been prepared without taking into account your particular investment objectives, financial situation, and particular needs. You should assess whether the information contained in this Notice of Meeting and Explanatory Memorandum is appropriate with respect to your own circumstances before making a decision in relation to the Resolution. If you are unsure, you should seek the help of a financial adviser or other appropriate adviser.

Australian Ethical Investment Ltd (ABN 47 003 188 930; AFSL 229949) (**Australian Ethical**) has provided its consent to AUFM, for its name to be included in this Notice of Meeting and Explanatory Memorandum, in the form and context in which it appears.

All reasonable care has been taken in relation to the preparation and collation of this Notice of Meeting and Explanatory Memorandum. To the extent permitted by law, no person, including, but not limited to AUFM, Australian Ethical or any of their affiliates, employees, or agents, accepts any responsibility for any loss or damage arising or resultant from the use or reliance on this Notice of Meeting and Explanatory Memorandum by any person.

### Issued date:

21 November 2024

### Issued by:

**Australian Unity Funds Management Limited** ABN 60 071 497 115, AFSL 234454 of  
271 Spring Street, Melbourne VIC 3000 in its capacity as responsible entity of the Fund.

# Notice of Meeting

Australian Unity Funds Management (AUFM), in its capacity as responsible entity for the Fund, hereby gives notice that a meeting of unitholders of the Fund will be held for the purpose of considering and, if thought appropriate, passing the following extraordinary resolution in relation to the Fund (**Resolution**):

"That Australian Unity Funds Management Limited ABN 60 071 497 115 AFSL 234454 retire as the responsible entity of the Altius Sustainable Bond Fund and that Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 be appointed as responsible entity in its place."

The meeting will be held as follows:

**In person:** Held at Australian Unity's office at 271 Spring Street, Melbourne, VIC, 3000  
**Virtually:** Held through an online platform which can be accessed at <https://web.lumiagm.com/314-629-942>  
**Date:** 16 December 2024  
**Time:** 10am

Key dates	
1. <b>Voting entitlements (eligibility to vote and value of votes) to be determined as at:</b>	10am, 14 December 2024
2. <b>Proxy Forms cutoff</b>	10am, 14 December 2024
3. <b>Anticipated implementation of the Resolution</b>	If the change of responsible entity is approved by unitholders of the Fund, AUFM will lodge a 'Notice of change of responsible entity' with ASIC within two business days after the meeting. Under the Corporations Act, the change of responsible entity of the Fund will take effect when ASIC changes the record of registration of the Fund to show the appointment of Australian Ethical Investment Ltd ( <b>Australian Ethical</b> ), which is anticipated to be prior to 18 December 2024.

This is a Notice of Meeting and Explanatory Memorandum for the Fund. AUFM's records indicate that you are a registered unitholder of the Fund. Under section 252F of the *Corporations Act 2001* (Cth), AUFM is required to give unitholders of a registered scheme at least 21 days' notice of a meeting of unitholders. This document is that notice.

The purpose of the meeting is for the unitholders of the Fund to vote on the Resolution (set out above). The Resolution relates to the proposed retirement of AUFM as responsible entity of the Fund, and proposed appointment of Australian Ethical as the new responsible entity of the Fund. Australian Ethical has provided its consent in writing to AUFM to become the Fund's responsible entity.

By order of the Board



Melinda Honig  
Company Secretary

## What do you need to do?

### Step 1 - read this document

Read this Notice of Meeting together with the information in the attached Explanatory Memorandum and decide how you will vote on the Resolution. The Explanatory Memorandum includes important information about voting, the advantages and disadvantages of the Resolution, and what would happen if it is not passed.

### Step 2 - vote on the Resolution

You can either vote using the accompanying Proxy Form or attend the meeting virtually or in person. You may vote in favour, against, or abstain from voting on the Resolution.

You may split your vote by nominating in the Proxy Form the percentage or number of units that you vote in favour, against, or abstain from voting on the Resolution. You must ensure the sum of the percentage or number of units total to 100% or number of units held.

Proxy Forms must be received no later than 10am on 14 December 2024 (i.e., at least 48 hours before the meeting). Please refer to the enclosed Proxy Form for further instructions on completing and sending the form.

## Enquiries

If you have any questions about the Notice of Meeting, or the meeting of unitholders, please contact Australian Unity client services on:

**Email:** [australianunitywealth@unitregistry.com.au](mailto:australianunitywealth@unitregistry.com.au)

**Phone:** 1300 997 774; or

+61 3 9616 8687 (if calling from overseas).

# Explanatory Memorandum

The meeting of the Fund unitholders has been called for the purpose of considering and, if deemed appropriate, passing the resolution in relation to the Fund to effect a change of responsible entity from AUFM to Australian Ethical.

## 1. AUFM's reasons for wanting to retire

AUFM is currently the responsible entity (or trustee) of a number of registered and unregistered managed investment schemes.

On 23 May 2024, AUFM announced it would sell its circa A\$2 billion sustainable cash and fixed interest asset management business, Altius Asset Management (**Altius**) to Australian Ethical Investment Ltd and appoint Australian Ethical to manage its cash and fixed interest portfolios as well as other funds and mandates managed by Altius (the '**Transaction**').

The Transaction was successfully completed on 25 September 2024. Further information on the Transaction is set out in the Announcement section of the Fund's webpage at [Altius | Sustainable Bond Fund \(altiusam.com\)](https://altiusam.com).

As a result of the completed Transaction, AUFM wishes to retire as the responsible entity of the Fund and for Australian Ethical to be appointed so that the Fund can continue to be managed with minimal disruption to, and in the best interests of, unitholders.

## 2. Impact of the Resolution

### 2.1 Overview of the replacement responsible entity, Australian Ethical

Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide long term, risk adjusted returns. Australian Ethical's investment strategy is guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has circa \$13 billion in funds under management across managed funds and superannuation. For more information visit [www.australianethical.com.au](http://www.australianethical.com.au).

### 2.2 Process to replace the responsible entity

Australian Ethical has consented in writing to its appointment as responsible entity of the Fund, subject to unitholder approval of the Resolution in relation to the Fund.

The Resolution is an extraordinary resolution. Australian Ethical will only be appointed as responsible entity of the Fund if the Resolution, as modified by the ASIC relief, is passed (see section 3 below).

The Resolution, if passed at the unitholder meeting, will be binding on all unitholders of the Fund.

### 2.3 Reasons for the appointment of Australian Ethical

AUFM believes that the change of responsible entity to Australian Ethical is in the best interests of unitholders for the following reasons:

#### Alignment of responsible entity and investment manager

- As part of the Transaction, Australian Ethical acquired Altius Asset Management. The Transaction

included AUFM retiring and Australian Ethical being appointed as responsible entity for two Altius funds, the Altius Sustainable Short Term Income Fund and the Altius Wholesale Cash Fund. To maximise operational cohesion in respect of the investment management and responsible entity functions, it is considered appropriate that Australian Ethical be appointed as responsible entity of the Fund.

### **Continuity of investment management**

- The Altius team currently responsible for the investment management of the Fund have moved from AUFM to Australian Ethical as part of the Transaction. The same Altius team will continue to manage the investments in the Fund.
- The current investment strategies and objective of the Fund will not change, and it will continue to be managed in line with its current strategy and objective.

### **Management and transaction costs neutrality**

- Australian Ethical has confirmed to AUFM it has no present intention to make any changes to management fees in respect of the Fund upon completion of the Transaction. The retirement of AUFM as responsible entity of the Fund and its replacement by Australian Ethical will incur certain transaction costs. However, AUFM will not seek to recover any such transaction costs from the Fund. Therefore, the retirement and replacement of the responsible entity of the Fund will be cost-neutral to unitholders.

### **Commensurately robust governance**

- Australian Ethical holds the appropriate Australian Financial Services Licence authorisations to be able to act as responsible entity of the Fund.
- Australian Ethical has appropriate governance, risk, and compliance frameworks in place in order to safely assume trusteeship of the Fund.
- The current members of the Australian Ethical Board are below with the majority of these, including the Chair, being independent:
  - Steve Gibbs (Chair and Non-executive)
  - Kate Greenhill (Non-executive)
  - Julie Orr (Non-executive)
  - Sandra McCullagh (Non-executive)
  - Richard Brandweiner (Executive)
  - John McMurdo (Chief Executive Officer and Managing Director)

For information on each director, please go to the Australian Ethical website at [www.Australianethical.com.au/about/board/](http://www.Australianethical.com.au/about/board/)

- There are 3 responsible managers on Australian Ethical's Australian Financial Services Licence: Chief Financial Officer, Chief Risk Officer & Company Secretary and Deputy Chief Investment Officer.
- The Fund will be overseen by the Australian Ethical Audit, Risk and Compliance Committee (ARCC) which has all independent membership including the Chair. The ARCC oversees adherence to the Australian Ethical Group's risk management policies and the production of financial statements.

## Australian Unity Funds Management

ABN 60 071 497 115  
271 Spring Street  
Melbourne VIC 3000 Australia  
Tel: 1300 997 774

### Transition management

- A Transition Services Agreement (TSA) is in place for a period of up to twelve months from the completion of the Transaction for AUFM to provide back and middle office support and services to Australian Ethical as part of its induction of the Fund, with a view to facilitating a smooth transition of responsible entity functions following completion and ensuring minimal disruption to unitholders.
- The outsourced administration, custody, and registry services at AUFM will continue to support the Fund under the TSA:
  - Administration and custody services – BNP Paribas S.A.;
  - Unit Registry services – SS&C Technologies, Inc.
- After the term of the TSA, it is presently intended that the Fund will be supported by Australian Ethical's custody and registry providers:
  - Administration and Custody – State Street Australia Limited; and
  - Unit Registry – Boardroom Limited.
- Risk, compliance, and fund accounting services will be undertaken by Australian Ethical internally.

### Strategic positioning

- As part of Australian Ethical, the Fund and its investors may benefit from increased scale and focus aligned with the strategic direction of Australian Ethical.
- Australian Ethical is pursuing a high growth corporate strategy to serve the growing potential addressable market created by structural drivers favouring responsible investing.

### 2.4 Disadvantages of the proposed Resolution

AUFM has not identified any significant disadvantages or risks in relation to the retirement of AUFM as responsible entity and subsequent appointment of Australian Ethical.

There is a risk of minor disruption in management and administration upon the change of responsible entity, as there is with any transition process, but using the same investment management team, custodian and registrar across the transition period should mean that unitholders will not be affected by the change.

### **3. Voting on the Resolution and effect of ASIC relief**

Under section 601FL of the Corporations Act, if the responsible entity of a registered scheme wants to retire, it must call a unitholders' meeting to explain its reason for wanting to retire and to enable the unitholders to vote on a resolution to choose a company to be the new responsible entity. The resolution must be an extraordinary resolution if the scheme is not listed.

Under section 253E of the Corporations Act, the responsible entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's unitholders if they have an interest in the resolution or matter other than as a unitholder.

Under the Corporations Act, an extraordinary resolution is passed if at least 50% of all units on issue that are eligible to be voted are voted in favour. This is different to a special resolution which is based on the eligible votes that are actually cast (not all units on issue). However, because a significant proportion of the units in the Fund are held by investment platforms which have a policy of not voting on unitholder resolutions, AUFM applied to and received from ASIC specific relief pursuant to which such platforms (referred to in the relief as 'abstaining members') will be excluded from the sum of units eligible to be voted for the purposes of the Resolution.

The ASIC Instrument in which this relief is provided will be published in the Federal Government Gazette and a copy will be available from AUFM on request.

### **4. Voting on the Resolution and conduct of the meeting**

#### **4.1 Is it necessary to attend the meeting in person in order to vote?**

No. If you are not able to attend the meeting in person or do not wish to do so, you may appoint a person (including the Chair) as your proxy to vote on your behalf by completing and returning the Proxy Form.

#### **4.2 Proxy**

A unitholder who is entitled to attend and cast a vote at a meeting of the Fund has a right to appoint a proxy and may appoint one or two persons as the unitholder's proxy to attend and vote for the unitholder at the meeting. A member may only appoint 2 persons as the unitholder's proxy where they are entitled to cast at least two votes.

Where two persons are appointed as a unitholder's proxies, the appointment may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the unitholder's votes each proxy may exercise, each proxy may exercise half of the eligible votes. A proxy does not need to be a unitholder of the Fund.

Unitholders appointing a proxy must complete and sign the Proxy Form that accompanies this Notice of Meeting and Explanatory Memorandum. For an appointment of a proxy to be effective for the meeting, the Proxy Form must be received/deposited at Boardroom (or at the registered office of AUFM) at least 48 hours before the meeting.

Unitholders appointing a proxy must also send/deposit the original or certified copy of any power of attorney or authority under which the proxy was signed (if applicable).

#### **4.3 Attendance at the meeting**

If you wish to cast your vote during the meeting, you or, if you are a body corporate, your corporate representative, may attend the meeting in person. Physical attendance at the meeting is not required, and you

may attend virtually through an online platform by accessing <https://web.lumiagm.com/314-629-942>.

#### **4.4 Corporate representatives**

To vote at the meeting (other than by proxy), a body corporate that is a unitholder must appoint a person to act as its representative. The appointment must set out what the representative is appointed to do and may set out restrictions on the representative's powers. If the appointment is to be by reference to a position held, the appointment must identify the position. The representative must bring to the meeting evidence of their appointment, including authority under which it is signed.

#### **4.5 Attending the meeting**

##### **Attending the meeting in person**

Unitholders or their corporate representatives attending the meeting in person are requested to:

- 1) Advise of their intended attendance by contacting AUFM on 1300 997 774 or by email at [australianunitywealth@unitregistry.com.au](mailto:australianunitywealth@unitregistry.com.au)
- 2) Arrive at the meeting approximately 30 minutes prior to the time of commencement of the meeting in order to:
  - have their unitholding confirmed against the register of unitholders; and
  - have any power of attorney or appointment as a corporate representative verified at the time of registration.

##### **Attending the meeting virtually**

Unitholders or their corporate representatives who wish to participate in the meeting online may do so by entering the following URL into an internet browser on your computer, laptop, smartphone, tablet or other smart device: <https://web.lumiagm.com/314-629-942>

You can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (VAC) which can be located on the first page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian unitholder. Overseas unitholders should refer to the online voting user guide for their password details.
3. If you have been nominated as a corporate representative or third-party proxy, please contact Boardroom on 1300 737 760

Attending the meeting online enables unitholders to view the meeting live, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress. More information about online participation and voting in the meeting is available in the Virtual Meeting Guide in the Announcement section of the Fund's webpage at [Altius | Sustainable Bond Fund \(altiusam.com\)](https://www.altius.com.au/sustainable-bond-fund).

#### **4.6 Chair**

AUFM will appoint its representative to Chair of the meeting before the commencement of the meeting.

The Chair will be responsible for the general conduct of the meeting and for the procedures adopted by it. The Chair may adopt any procedures which in their opinion are necessary or desirable for the proper and orderly recording of votes at the meeting. The decision of the Chair on any matter relating to the conduct of the meeting is final.

#### **4.7 Quorum**

- 1) Quorum
  - The quorum for the meeting of the Fund is at least two members present in person or by proxy.
- 2) No quorum



- If a quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned to another time and place that AUFM decides.

#### **4.8 Voting**

The Resolution in relation to the Fund must be decided by a poll, as it is an extraordinary resolution. On a poll, each member of the Fund who is eligible to vote has one vote for each dollar of the value of the total interests they have in the Fund. The value of the interest is the amount that would be paid on a withdrawal of that interest on the business day immediately prior to the date of the meeting.

#### **4.9 Extraordinary resolution in relation to proposed retirement of current responsible entity and appointment of new responsible entity**

The Resolution is an extraordinary resolution and in accordance with sections 9 and 601FL of the Corporations Act will be passed if at least 50% of the total votes that may be cast by members entitled to vote on the Resolution (including those who are not present in person or by proxy at the meeting) are cast in favour of the Resolution (subject to the ASIC relief referred to in Section 3).

#### **4.10 Jointly held units**

If an interest in the Fund is held jointly and more than one member votes in respect of that interest, only the vote of the member whose name appears first in the register of members counts (or if that person does not vote, the next named joint Holder, or if that person does not vote, the next named, and so forth).

#### **4.11 Meeting**

The meeting for the Fund will be carried out in the following manner:

- (a) If a quorum for the meeting is present, the meeting will be declared open. The chair of the meeting will outline the purpose of the meeting, what will occur if the Resolution is passed and what will occur if the Resolution is not passed.
- (b) Under the Fund Constitution, a quorum consists of any 2 unitholders present at the meeting either in proxy or in person.
- (c) If a quorum for the meeting is not present within 30 minutes after the scheduled start time, then AUFM will adjourn the meeting to another time and place.
- (d) The chair will inform those members present as to the number of proxy votes received for, against, and abstaining from voting in relation to the Resolution.
- (e) The Resolution will be put to the meeting for the unitholders present at the meeting, to cast their votes.
- (f) The meeting will then be closed, and the votes tallied. The final outcome of the Resolution will also be published on the Fund's webpage at [Altius | Sustainable Bond Fund \(altiusam.com\)](https://altius.com.au/altiusam.com).

#### **4.12 Supreme Court Consent**

The Fund is a trust established under the laws of Victoria. Under section 180 of the *Crimes Act 1958* (Vic), it is an offence for a trustee to receive any valuable consideration as an inducement or reward for appointing another trustee in its place, unless the assent of the beneficiaries of the trust or of the Supreme Court is obtained. Under the Deed of Retirement and Appointment in relation to the Fund (**DoRA**), indemnities are given in favour of AUFM by Australian Ethical, which likely amount to 'valuable consideration' for the

purposes of s 180. Further, the retirement and replacement of the responsible entity of the Fund is part of the broader Transaction, under the terms of which AUFM received certain payments as consideration for the transfer of the Altius business assets to Australian Ethical.

By Orders made by Justice Matthews of the Supreme Court of Victoria on 8 August 2024, the Court assented to the ‘valuable consideration’ offered to and obtained by AUFM in connection with the DoRA and the Transaction.

## 5. Consequences

### 5.1 Consequences if the Resolution is passed

If the Resolution is passed in relation to the Fund, Australian Ethical will become the responsible entity of the Fund.

The retirement of AUFM and the appointment of Australian Ethical will take effect upon AUFM lodging a notice of change of responsible entity with ASIC in relation to the Fund (which must be completed within two business days of the meeting) and ASIC updating its records to name Australian Ethical as the responsible entity of the Fund.

As a consequence of Australian Ethical becoming the responsible entity of the Fund:

- a) the rights, obligation, and liabilities of AUFM in relation to the Fund become the rights, obligations, and liabilities of Australian Ethical; and
- b) Australian Ethical is authorised and required by law to operate the Fund and perform the functions set out in the constitution of the Fund and the Corporations Act.

### 5.2 Consequences if the Resolution is not passed

If the Resolution is not passed, AUFM will remain as responsible entity for the Fund.

## 6. Other Important information

If you require additional information, contact us on the details below.

Details	Australian Unity Funds Management
Registered office address	Level 15, 271 Spring Street, Melbourne VIC 3000
Email	australianunitywealth@unitregistry.com.au
Phone	1300 997 774 or +61 3 9616 8687 (if calling from overseas).

### No investment advice or representations

Unitholders should rely only on the information in this Notice of Meeting and Explanatory Memorandum. Any other information may not be relied upon as being authorised by AUFM. Except as required by law and then only to the extent so required, neither AUFM nor any associate of AUFM warrants the future performance of the Fund.

## Australian Unity Funds Management

ABN 60 071 497 115  
271 Spring Street  
Melbourne VIC 3000 Australia  
Tel: 1300 997 774



This Notice of Meeting and Explanatory Memorandum should not be taken to be financial product advice, or an offer, invitation, or recommendation to invest. This document is not investment advice. Unitholders should seek their own professional advice on the matters addressed. In particular, this Notice of Meeting and Explanatory Memorandum does not take into account the investment objectives, financial situation, or particular needs of any person. You should consider the appropriateness of any investment, taking into account your investment objectives, financial situation, and particular needs before making any investment decision.

## References to us

In this document, the description, "we", "us", or "our" refers to AUFM. AUFM is a wholly owned subsidiary of Australian Unity Limited (AUL) (ABN 23 087 648 888). AUL, together with its subsidiaries including AUFM, form the group of companies referred to as the 'Australian Unity Group'.

## Continuous Disclosure

In accordance with ASIC Regulatory Guide 198, we will meet our continuous disclosure requirements by way of website disclosure. All disclosure required under the continuous disclosure obligations is available on our website. You can obtain a free paper copy of such disclosure documents by calling us on 1300 997 774 or +61 3 9616 8687 (if calling from overseas).

## Privacy

AUFM, its affiliates and service providers acting on behalf of the Fund may collect personal information in the process of implementing the meeting of unitholders. Such information may include the name, contact details and holdings of unitholders. The primary purpose of the collection of personal information is to assist AUFM to implement the meeting. Personal information of the type described above may be disclosed to AUFM, print and mail service providers of AUFM and other service providers acting on behalf of the Fund. Unitholders have certain rights to access personal information that has been collected.

We may collect and manage your personal information in accordance with the law and the Australian Unity Privacy Policy, which can be accessed from our website - [australianunity.com.au/privacy-policy](http://australianunity.com.au/privacy-policy). If you have any concerns or questions about the privacy of your personal information, please contact our Privacy Officer:

**Email:** [investments@australianunity.com.au](mailto:investments@australianunity.com.au)

**Address:** GPO Box 4360, Melbourne VIC 3001

If you are not satisfied with how your concern was addressed, you may contact the Privacy Commissioner at:

**Address:** Office of the Australian Information Commissioner  
GPO Box 5218, Sydney NSW 2001

**Online:** [www.oaic.gov.au/privacy/privacy-complaints](http://www.oaic.gov.au/privacy/privacy-complaints)

Unitholders should contact AUFM in the first instance if they wish to access their personal information.