

# Australian Masters Equity Fund

## Product Disclosure Statement

Dated 20 September 2019

This Product Disclosure Statement ('PDS' or 'Statement') is issued by Trustees Australia Limited (ABN 63 010 579 058, AFSL No. 260038) ('TAU', 'we', 'us' or 'our'), as the responsible entity of the Australian Masters Equity Fund (ARSN 143 756 343, APIR TAL0004AU) ('the Fund').

This PDS is prepared in accordance with Subdivision 4.2C of Division 4 of Part 7.9 of the Corporations Regulations 2001.

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### Important Information

This PDS is a summary of significant information relating to the Australian Masters Equity Fund.

You should consider that information before making a decision about the simple managed investment scheme.

The information in this PDS is general information only and does not take account of your personal financial situation or needs.

Before making an investment decision, you should obtain financial advice tailored to the person's personal circumstances.

You should assess your own objectives, financial situation and needs before deciding to acquire an interest in the Fund.

This PDS is available at the website at <http://www.amem.com.au/funds-amef.asp>.

Information in this PDS is subject to change from time to time. New PDSs and updated information will be available on the website shown above.

You may request a paper copy of this PDS and any updated information at any time free of charge by contacting your licensed financial advisor, phoning 1800 425 451, emailing [amef@amem.com.au](mailto:amef@amem.com.au) or visiting <http://www.amem.com.au/funds-amef.asp>

### Contact details:

#### Investment Manager and Administration Manager

Australian Masters Equity Management Pty Ltd  
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Parkside SA 5063  
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#### Responsible Entity

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## 1. About TAU

TAU is the Fund's responsible entity ('RE'). TAU is responsible for overseeing the Fund's operation and monitoring the Fund's investment managers, and managing and administering the Fund in the best interests of investors.

TAU has been an ASX listed company since 1987 and holds an Australian financial services licence which authorises it to provide responsible entity, trustee and custodian services for asset management and administration. TAU has practical expertise in registered and unregistered managed investment schemes in respect of a number of asset classes, separately managed accounts and other investment structures.

Based on quantitative and qualitative factors such as performance, experience, investment strategy and key personnel, TAU has selected Australian Masters Equity Management Pty Ltd ('AMEM') (ABN 28 141 461 083, authorised representative of the holder of AFSL 241052) as an investment manager to manage the Fund's assets and investments. TAU reviews the performance of the Fund's investment manager on a regular basis.

AMEM was established to provide investment management services. The principals and staff of AMEM have proven experience in all areas of portfolio construction, including financial modelling, risk management and asset allocation. This expertise covers a number of asset types, including managed funds and listed securities.

AMEM will determine and review the investment strategy, identify and assess wholesale trusts or investment managers that it believes are suitable for meeting the Fund's investment strategy, make decisions about allocating funds to appropriate investments and monitor the performance of investments in the Fund.

## 2. How the Australian Masters Equity Fund works

### Structure

The Fund is a registered managed investment scheme, whereby your money is pooled with other investors' money. TAU invests this money on behalf of all the Fund's investors. This means that you have access to certain investments that you may not otherwise be able to access on your own. The ASIC website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has more information on managed investment schemes.

The Fund is a 'fund of funds' meaning that it indirectly gains exposure to underlying asset classes by investing in a diversified portfolio of professionally managed wholesale equity trusts or with wholesale investment managers that invest in Australian and international listed securities.

The Fund is established under a constitution ('Constitution'), which sets out your rights and the powers and responsibilities of TAU. You can obtain a copy of the Constitution free of charge by contacting us.

Under the *Corporations Act 2001* ('Corporations Act'), the Fund is required to have a compliance plan lodged with ASIC. The compliance plan is audited annually and sets out measures that TAU will implement to ensure that the Fund's operation complies with the Corporations Act and the Constitution.

### About units and unit pricing

The Fund is unitised, meaning that when you invest in the Fund, you purchase units that represent a beneficial interest in the Fund's assets (but not in any particular underlying asset).

The unit price is calculated each business day (i.e. any day that is not a weekend or a public holiday on which banks are open for business in Australia) by dividing the Fund's net asset value by the number of units on issue, and is adjusted for

transaction costs including the buy/sell spread (see section 6 'Fees and costs' in the PDS for further information). Valuations are conducted at any time determined by TAU, at regular intervals appropriate to the nature of the property, and such times as required in the Constitution. The unit price will vary as the market value of the assets in the Fund rises or falls.

TAU has a unit pricing policy in place and that policy is available at no charge by contacting TAU on (07) 3020 3020 during business hours.

### Applications and withdrawals

You can make applications and withdrawals at any time, subject to the following minimum requirements (which TAU may change at its discretion):

Minimum initial investment	\$20,000
Minimum additional investment	\$1,000
Minimum withdrawals	Nil
Minimum investment balance	\$5,000

TAU will retain any interest earned on application money before it is paid into the Fund.

### Initial investment

To acquire units in the Fund, you will need to complete an Application Form. If a completed Application Form is received and accepted before 2.00pm on a business day, the application will be processed using the Fund's application price calculated as at the close of business on that day. Otherwise, the following business day's application price will be used (these conditions also apply to additional investments – see below). Payment can be made by cheque. In certain circumstances, TAU reserves the right to refuse an application or accept only part of an application or change processing times. A copy of the Application Form is available on the back of the PDS from <http://www.amem.com.au/funds-amef.asp>.

### Additional investments

You can increase your investment by acquiring units in the Fund at any time, with payment made by cheque or other method specified by TAU as being acceptable. You should obtain a copy of the most up-to-date PDS when making additional investments, as the investment will be made on the terms of the most up-to-date PDS. In certain circumstances, TAU reserves the right to refuse an additional investment or accept only part of an additional investment, (for example, if the Fund is closed to additional investments) or change processing times. A copy of the Additional Investment Form is available from our website at <http://www.amem.com.au/funds-amef.asp>.

### Withdrawal requests

You can decrease your investment by disposing some or all of your units by sending TAU a completed Withdrawal Form. If your Withdrawal Form is received and accepted before 2.00pm on a business day, the withdrawal will be processed using the Fund's withdrawal price calculated as at the close of business on that day. Otherwise, the following business day's withdrawal price will be used. If you make a withdrawal request which would result in your investment balance falling below \$5,000, TAU may, at its discretion, treat your withdrawal request as relating to all of your remaining units in the Fund. A copy of the Withdrawal Form is available from our website at <http://www.amem.com.au/funds-amef.asp>.

After TAU has received and accepted a completed Withdrawal Form, withdrawals are normally paid within 14 days of the withdrawal date (however, the Fund's Constitution allows such longer period as TAU determines in certain circumstances). Withdrawals will be credited directly to your nominated account or a cheque can be sent to you upon request. Proceeds are also subject to clearance by your bank, building society or credit union.

However, the Constitution specifies that a withdrawal request is to be satisfied only if the Fund is 'liquid' as defined in the Corporations Act. Generally speaking, this definition requires at least 80% of the Assets of the Fund to be realisable within the period set out in the Constitution for satisfying redemption requests. If the Fund becomes 'illiquid' redemption rights may be suspended until the Fund is no longer "illiquid".

Further, the Constitution specifies that the RE may in its sole discretion for such period as the RE considers reasonable, refuse to cause to be redeemed units where such redemption within that period would result in the RE having insufficient funds or such redemptions would otherwise prejudice the interests of remaining unitholders. In some circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units in the Fund within the usual period upon request. TAU reserves the right to change processing times.

### Transfers

You can transfer your units in the Fund to another person at any time, subject to the transfer procedure in the Constitution. To discuss what is required for a transfer, please contact us on 1800 425 451.

### Income distributions

The Fund may earn income such as dividends and interest, as well as net realised capital gains on the sale of underlying assets, and it is TAU's intention that the full amount of the Fund's taxable income in each financial year be distributed to investors. Distributions are calculated at least annually following the end of June of each year, but TAU may have half year or interim distributions half yearly. While the Constitution allows the Fund to take up to 60 days for payment, it is anticipated that these distributions will be made approximately 30 business days after the end of the relevant period.

Your entitlement to distributions is calculated by dividing the total distribution amount by the total number of units on issue at the distribution date, and multiplying the result by the number of units you hold on that date. If you withdraw units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period. However, the Fund's unit price will incorporate the distribution entitlement up to the withdrawal date.

You can choose to have your distributions:

- reinvested in additional units in the Fund; or
- paid to you by direct credit to your nominated account.

If you do not make a choice on the Application Form, or if a direct credit rejection occurs, then your distributions will be automatically reinvested by acquiring additional units in the Fund at the prevailing unit. You can change your choice for receiving distribution payments by advising AMEM. Otherwise, the change to your distribution instructions will not occur until after the next distribution is paid. Please note that distributions will not be paid by cheque.

### Investor directed portfolio services (IDPS)

A person who invests in the Fund through an IDPS does not become an investor in the Fund. The operator of the IDPS acquires these rights and can exercise them on behalf of its investors according to arrangements governing the IDPS.

## 3. Benefits of investing in the Australian Masters Equity Fund

The significant features of the Fund are:

- **Ready-made diversification:** The Fund provides a ready-made diversified solution to investors by gaining exposure through investment in professionally managed wholesale trusts or with wholesale investment managers

which in turn, may invest in listed Australian securities, convertible notes, derivatives and cash.

- **Access to leading professional investment managers:** The Fund, through investment in professionally managed wholesale trusts or with wholesale investment managers, provides access to the resources and knowledge of a number of quality professional investment managers with a proven track record who specialise in managing specific asset classes and who research extensively and monitor investment markets to find the best opportunities.
- **A simple and convenient way to invest:** The Fund is designed to make investing easy for you. We handle all the investment decisions, paperwork and administration, and provide you with regular information and reporting on your investment. Our application process is straightforward and our friendly staff are on hand to assist you with any queries regarding your investment.
- **A responsible entity with a proven record:** TAU aims to create wealth for investors by employing a disciplined approach to managing quality assets.

The significant benefits of the Fund are:

- **Income with capital gains:** The Fund is designed to be a medium-long term investment that aims to deliver a combination of investment returns, income distributions (such as franked dividends) and capital gains. If you choose to reinvest your distributions you'll benefit from the power of compounding, which allows you to generate returns on your reinvested distributions to optimise your investment earnings over the long term.
- **Access to additional potential benefits:** The large size of the wholesale trusts and the investment managers in, and with whom, the Fund invests, may provide additional potential benefits such as the investment managers' ability to act quickly to participate in investment opportunities that are not generally available to individual retail investors.

## 4. Risks of managed investment schemes

The purpose of this section is to inform you of the significant risks of the Fund and of managed investment schemes and is a summary only. It does not purport to be a comprehensive statement of all the risks.

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The significant risks of investing in the Fund are:

- **Market risk:** The value of the Fund's investments can move up and down due to circumstances affecting the Fund or securities markets generally. Markets are subject to a host of factors including economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues.
- **Economic risk:** Investment returns are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share market conditions, government policies (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds, other tradable investments and the general state of the domestic and world economies.
- **Currency risk:** For any investments exposed to international markets, a rise in the Australian dollar relative to other currencies may negatively impact the Fund's investment values and returns.

- **Interest rate risk:** Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets. Interest rates may directly or indirectly affect a company's cost of borrowings as well as the value of fixed interest securities.
- **Statutory risk:** The Fund and its investments, either domestic or international, may be affected adversely by changes in applicable laws, regulations, statutes and policies.
- **Joint investment risk:** The terms of your investment in the Fund are governed by the Constitution, and these terms may be changed by a resolution passed by a majority of investors by value of units. This means that the terms and conditions may change, even though you may vote against these changes.
- **Investment management risk:** AMEM may fail to perform its duties adequately or to a satisfactory level of competence with respect to investment selection, management or sale, or any other terms of its duties.
- **Managed investment risk:** The wholesale trusts in which the Fund invests are also managed investments and are subject to many of the same regulatory requirements as the Fund. The responsible entities, investment managers, or other parties involved in these trusts may breach their duties or fail to perform their duties, which may affect the return from these investments.
- **Personnel risk:** The loss of key personnel of TAU, AMEM, other key service providers or the wholesale trusts in which the Fund invests may adversely affect the Fund's performance.
- **Income risk:** The level of investment income can fall as well as rise, as can the level of expenses in the Fund.
- **Taxation risk:** The after tax returns from the Fund or its investments may be influenced by changes in taxation laws or their interpretation. Under certain circumstances, the Fund or any of its investments may also lose their tax flow-through status, as if they are deemed to be undertaking activities other than passive investment.
- **Compliance risk:** The Fund is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If TAU breaches its Australian financial services licence, ASIC may take action to suspend or revoke the licence, which in turn could adversely impact the Fund.
- **Asset risk:** Assets owned by the Fund or businesses in which the Fund ultimately invests may be damaged by wide-ranging or localised natural or man-made disaster.
- **Liquidity risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, preventing a fund from closing out its position, or rebalancing within a timely period and at a fair price. In some circumstances the RE may delay or stagger withdrawals and delay payment of withdrawal proceeds from the Fund when it is in the best interests of all investors to do so.
- **Realisation risk:** The Fund may not be able to withdraw from, sell, merge or otherwise crystallise a liquidity event for any or all of its investments, either at a fair valuation or at all.

The significant risks of managed investment schemes are that:

- the value of investments will vary;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, and members may lose some of their money;

- laws affecting registered managed investment schemes may change in the future; and
- the level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of the member's wealth are invested and the member's risk tolerance.

TAU's risk management objective is to deliver risk/return outcomes in line with investors' expectations. However, we do not guarantee future profitability, Fund returns, distributions or return of capital. The performance of the Fund is regularly monitored to assess whether the investment policy and the objectives of the Fund are being met.

You should consult with your financial advisor to properly understand the risks associated with the Fund and your attitude to investment risk.

TAU does not guarantee the repayment of capital invested, the payment of income or the Fund's investment performance. An investment in the Fund does not represent a deposit with, or a liability of TAU. TAU is not an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

## 5. How we invest your money

The Fund offers a single investment option.

TAU aims to create wealth for investors by providing simple and professionally managed investment opportunities.

The Fund is a 'fund of funds' meaning that it indirectly gains exposure to diversified investments by investing in professionally managed wholesale trusts and with wholesale investment managers that utilise 'active' management strategies for investment in Australian and international listed securities.

The investment return objective of the Fund is to deliver investment returns after fees and expenses which exceed the performance of the ASX300 accumulation index over five year rolling periods, before tax.

The investment strategy of the Fund is to invest in a number of selected professionally managed wholesale trusts or with high quality wholesale investment managers that specialise in managing specific asset classes constructing the investment portfolio in a manner that TAU believes will meet the investment return objective, being predominantly listed Australian securities and to a lesser extent, convertible notes, derivatives and cash.

TAU, as responsible entity of the Fund, identifies monitors and allocates assets between professionally managed wholesale trusts and specialist investment managers who buy and sell assets based on changing market conditions, with the aim of achieving the investment return objective. In addition, TAU determines the strategic asset class allocation on an ongoing basis within the ranges set out below for this Fund.

	Min	Max
Listed securities	80%	100%
Alternatives	0%	10%
Cash	0%	10%

This Fund is intended to suit an investor who is primarily seeking an investment with a significant exposure to listed securities and the potential for high returns but are prepared to hold their investment for the minimum suggested investment timeframe due to the risk and volatility associated with listed securities investments in general, and who are seeking to access a combination of investment returns, income distributions and capital gains over the medium-long term. The minimum suggested investment timeframe is at least a 5 year investment period.

This Fund is considered by TAU to be a medium risk investment.

In an endeavour to ensure the best possible result for investors and to meet the Fund's investment return objective, the performance of the investment manager of the Fund is regularly monitored and assessed by TAU. Consequently, the investment manager of the Fund may change from time to time without prior notice to you.

**Warning:** When choosing whether to invest in the Fund, the person should consider:

- the likely investment return;
- the risk; and
- the person's investment timeframe.

## Changes to the Fund

We have the right to terminate the Fund or change the Fund's investment return objective (including without limitation the strategic asset class allocations and investment strategy) without providing prior notice to investors in some cases. We will inform investors of any material changes to the Fund in accordance with the law.

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

TAU and AMEM do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments of the Fund.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees. Ask the fund or your financial advisor.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

The managed investment fee calculator on the ASIC website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) can also be used to calculate the effect of fees and costs on account balances.

The following table shows the fees and costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Taxation information is set out in section 7 of the PDS.

The information in the template below can be used to compare costs between different simple managed investment schemes. You should read all the information about fees and costs because it is important to understand their impact on your investment.

All the fees and costs shown in this section include stamp duty and GST less any reduced input tax credits unless otherwise stated.

TYPE OF FEE OR COST	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund<sup>1</sup></b>		
<i>Establishment fee</i>	Nil	Not applicable
<i>Contribution fee</i>	Nil	Not applicable
<i>Withdrawal fee</i>	Nil	Not applicable
<i>Termination fee</i>	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment <sup>2</sup> .	1.194% p.a. of the gross asset value of the Fund <sup>3</sup> ,	Calculated on the last day of each month and paid within

	consisting of: <ul style="list-style-type: none"> <li>• 0.993% p.a. management fee of the gross asset value of the Fund; and</li> <li>• 0.201% p.a. expense recoveries<sup>4</sup> of the gross asset value of the Fund.</li> </ul>	14 days of the end of each month out of the Fund's assets.
<b>Service fees</b>		
<i>Switching fee</i>		
The fee for changing investment options	Nil	Not applicable

<sup>1</sup> Transaction costs may apply in the form of a buy/sell spread. See "Buy/sell spread" under the heading "Additional explanation of fees and costs" for more information.

<sup>2</sup> These fees do not include an amount payable to an advisor. See "Advice fee" under the heading "Additional explanation of fees and costs" for more information.

<sup>3</sup> TAU does not charge a performance fee for managing the Fund. However, by investing in other wholesale trusts and with other investment managers, the Fund may gain an exposure via the underlying assets in respect of which performance fees are charged. Such costs depend on a number of factors such as the type of underlying fund in which the Fund invests, the amount invested, the formula used for calculating the

performance fee and the performance of the underlying assets in any given period.

<sup>4</sup> See "Management Costs" under the heading "Additional explanation of fees and costs" for more information.

### Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a 1 year period. You should use this table to compare the Fund with other managed investment products.

<b>EXAMPLE</b> Australian Masters Equity Fund		<b>BALANCE OF \$50 000 WITH A CONTRIBUTION OF \$5 000 DURING YEAR</b>
Contribution Fees	Nil	For every additional \$5 000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	1.194%*	<b>And</b> , for every \$50 000 you have in the Australian Masters Equity Fund, you will be charged \$597 each year.
<b>EQUALS</b> Cost of the Australian Masters Equity Fund		If you had an investment of \$50 000 at the beginning of the year and you put in an additional \$5 000 during that year, you would be charged fees of from: <b>\$597 to \$657*</b> <b>What it costs you will depend on the fees you negotiate.</b>

\* Additional fees may apply. The actual amount you will be charged depends on the timing of additional investments.

**Warning:** Additional fees may be paid to a financial advisor if a financial advisor is consulted. Please refer to the Statement of Advice in which details of the fees are set out.

### Additional explanation of fees and costs

#### Management costs

Management costs are the total fees and costs incurred in managing the Fund, comprising the management fee paid to TAU as responsible entity for administering the Fund, custodial arrangement costs, distribution costs, other investment-related expenses and reimbursements in relation to the Fund, amounts paid or payable for investing in the assets of the Fund and performance fees.

The Fund's Constitution also allows TAU to recover, from the Fund, all costs, charges, expenses and outgoings reasonably and properly incurred by TAU in the proper performance of its duties in administering the Fund ('expense recoveries').

The disclosure of management costs is based on the latest available information as at the date of this PDS. Management costs may increase or decrease over time depending on the amounts comprising the management costs described above. The management fee is recovered from the Fund and is not directly deducted from your investment account.

### Performance fees

A performance fee is an amount paid or payable, calculated by reference to the performance the Fund. As at the date of this PDS, TAU does not charge a performance fee for managing the Fund.

### Transactional and operational costs

In addition to management costs, the Fund may incur transactional and operational costs when acquiring and disposing of certain Fund assets. These costs may include clearing costs, settlement costs, brokerage, stamp duty and buy/sell spreads. These costs are paid for by the Fund when they are incurred and are reflected in the Fund's unit price. These costs are not paid to TAU as a fee and are not charged directly to investors, rather they are deducted from the income or assets of the Fund. These costs may vary depending on the level of Fund transactions. TAU estimates such costs to be 0.04% of the Fund's net asset value for the current financial year.

#### Buy/sell spread

A buy/sell spread applies to the Fund and is an additional cost to you. It is the transaction costs charged to you when you buy and sell units in the Fund and is designed to fairly allocate costs associated with buying and selling Fund assets as a result of investors acquiring or withdrawing units in the Fund. It is retained by the Fund and is not a fee payable to TAU.

A buy spread of 0.5% applies to each application in the Fund and a sell spread of 0.5% applies to each withdrawal. For example, if you invested \$50,000 in the Fund the cost of the buy spread would be \$250. The buy/sell spread may change from time to time without prior notice. The Fund's application and withdrawal prices are updated regularly and can be found at <http://www.amem.com.au/funds-amef.asp>.

#### Advice fee

You may agree with your advisor to pay an advice fee directly from your investment to your advisor. This can take the form of an upfront or ongoing fee.

#### Advisor remuneration and commissions

TAU does not currently pay any advisor remuneration or commissions to those who are engaged to promote the Fund. However, TAU reserves the right to negotiate such amounts on an individual basis and only with those who are authorized to operate under an AFSL or are otherwise permitted by law to receive such payments.

#### Differential arrangements

Arrangements may be made with wholesale clients (as defined in the Corporations Act) on an individual basis in relation to rebates on management fees in circumstances permitted by the Corporations Act or where applicable relief is granted by ASIC. These rebates are payable by either or both TAU or AMEM from their own resources and therefore do not affect fees paid by or any distributions to investors.

#### IDPS

Investors who invest through an IDPS may be required to pay fees to the operator of the IDPS as outlined in the terms applicable for that IDPS.

#### Changes to fees

Fees and costs can be changed at any time by TAU without your consent. If fees and charges payable to TAU increase, you will be given at least 30 days' prior notice. Other costs, such as the buy/sell spread may change at any time without prior notice to you. Expense recoveries may be different than those estimated in this PDS.

## 7. How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme is likely to have tax consequences. The Australian taxation system is complex and individual investors have different circumstances. Persons are strongly advised to seek professional tax advice.

When investing in the Fund, investors should note that:

- registered managed investment schemes do not pay tax on behalf of members;
- members are assessed for tax on any income and capital gains generated by the registered managed investment scheme in the year to which their entitlement relates, irrespective of whether the income is reinvested in additional units or the income payment occurs at a later date;
- the Fund will pass through the investors' share of any tax credits received during the year;
- the Fund has made a 'capital election' under the tax regime for Managed Investment Trusts (MIT) and it continues to be an eligible MIT;
- investors may be liable for tax on capital gains realised on the sale of units in the Fund, either by withdrawal or transfer.

The brief summary of taxation information provided above relates only to Australian tax residents who hold their Fund units on capital account for income tax purposes. You should not rely on this summary.

## 8. How to Apply

Investing in the Fund is a two-step process:

1. complete the Application Form which is available at the back of the PDS on our website at <http://www.amem.com.au/funds-amef.asp>.
2. send your application and investment money to TAU in accordance with the instructions contained in the Application Form. Any cheques must be crossed "Not Negotiable" and made payable to "Trustees Australia Ltd ITF Australian Masters Equity Fund". Cash deposits are not accepted.

## Cooling-off

Subject to the Corporations Act and the Corporations Regulations, retail investors have the right to return their units in the Fund to TAU and to have the money they paid to acquire the units repaid. However, this right does not apply in certain circumstances, such as where the units acquired were offered or issued under distribution reinvestment plans, acquired as additional contributions, where the units were issued at the time when the Fund is not liquid, or if you invest via an IDPS.

If after investing in the Fund you wish to exercise your cooling-off right, you may notify TAU in writing or electronically and request that your investment be repaid. The right to cool off can only be exercised during the period of 14 days from the earlier of:

- the time you receive written confirmation of your investment in the Fund from TAU; and
- the end of the 5th day after the day on which the units were issued to you.

If you acquired a number of units in the Fund in the same transaction, you cannot exercise a right to return the units except by returning all of those units. The amount refunded will be adjusted to take account of any increases or decreases in the price of units in the Fund and any reasonable administrative expenses and transaction costs. If a distribution has occurred between acceptance of your application by TAU and receipt of your notification to cool off during the cooling-off period, there may be taxation implications for you. We suggest

that you seek professional tax advice in these circumstances. If a tax or duty has been paid or is payable by TAU and either the tax or duty has been paid and TAU is unable to obtain a refund, or if the tax or duty has not been paid, the tax or duty does not cease to be payable as a result of the exercise of the right to return the units, the amount that would otherwise be repaid is reduced by the amount of the tax or duty.

## Complaints

If you have a complaint about TAU, the Fund or the complaints handling process itself, you should call (07) 3020 3020 or write to:

Level 1/200 Creek Street, Brisbane QLD 4000  
GPO Box 6, Brisbane QLD 4001 Australia

All complaints will be properly considered and dealt with within 45 days of receipt. Once we have investigated your complaint, you will receive a written reply explaining our decision when required by law.

If you are not satisfied with the handling of your complaint, or the complaint is not dealt with within 45 days, you may contact the Financial Ombudsman Service Australia on 1800 367 287.

## 9. Other Information

### Keeping you informed

We will provide you with a statement confirming your investments within 3 business days of issue of units, redemptions approximately 10 business days after payment of the redemption amounts, transfers within one month after the date of registration, and distributions within 10 business days of distribution payments.

We will also send you:

- an annual tax statement to assist with your tax return;
- an annual report if you elect to receive one (the Fund's annual report is also available at <http://www.amem.com.au/funds-amef.asp>); and
- any other communications required by the law.

### Continuous disclosure requirements

If the Fund has 100 or more holders of units, it will be a disclosing entity. A disclosing entity is subject to continuous disclosure requirements under the Corporations Act. If the Fund is a disclosing entity, you will be able to obtain from, or inspect at, an ASIC office copies of any documents lodged with ASIC in relation to the Fund. If applicable, you may also obtain from TAU, free of charge, copies of:

- the most recent annual financial report lodged with ASIC;
- any half yearly financial report lodged with ASIC; and
- any continuous disclosure notices lodged with ASIC.

### Related party transactions

TAU may enter into a transaction with the Fund or with a person dealing with the Fund or have an interest in any such transaction, including related parties of AMEM.

TAU has a process for managing conflicts of interest and related party transactions which ensures that all transactions engaged in by TAU are assessed for any conflicts of interest and to ensure they are reasonable 'arm's length' transactions based on appropriate commercial terms.

### Consents

AMEM has given and has not, before the date of the PDS, withdrawn its written consent to be named in this PDS and to the statements in this PDS concerning its role and activities, in each case in the form and context in which it is included or named.