

# Milford Diversified Income Fund (AU)

## Product Disclosure Statement

Issue Date 30 August 2023



**MILFORD**

INVESTED IN THE OUTCOME

# Milford Diversified Income Fund (AU)



## Product Disclosure Statement

mFund MFA03  
ARSN 638 846 321  
APIR ETL1908AU  
Issue Date 30 August 2023

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### Investment Manager

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### Custodian

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This Product Disclosure Statement (“PDS”) was issued on 30 August 2023. This PDS is for the offer of interests in the Milford Diversified Income Fund (AU) ARSN 638 846 321 APIR ETL1908AU (referred throughout this PDS as the “Fund”).

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence (“AFSL”) No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the “Responsible Entity”, “Equity Trustees”, “us” or “we”). The investment manager is Milford Australia Pty Ltd (ABN 65 169 262 971 AFSL No. 461253) (referred to throughout this PDS as the “Investment Manager” or “Milford”).

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

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (“IDPS”). This PDS is available for use by persons applying for units in the Fund through an IDPS (“Indirect Investors”). The operator of an IDPS is referred to in this PDS as the “IDPS Operator” and the disclosure document for an IDPS is referred to as the “IDPS Guide”. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Investors should carefully read these terms and conditions before investing in the Fund. Please refer to the “Investment and withdrawals” section for further information on investments through an IDPS.

Equity Trustees, the Investment Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety.

The forward-looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager and their officers, employees, agents or associates. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward-looking statements.

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

Unless otherwise stated, all fees quoted in the PDS are inclusive of Goods and Services Tax (“GST”) after allowing for an estimate for Reduced Input Tax Credits (“RITCs”), and all amounts are in Australian dollars.

If you are a Retail Client you may have a right to a ‘cooling off’ period in relation to an investment in the Fund within 14 days of the earlier of:

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

The right to cool off may not apply if you are an Indirect Investor, even if you are a Retail Client. Indirect Investors should seek advice from their IDPS Operator or consult the IDPS Guide or similar type document as to whether cooling off rights apply.

The right to cool off will not apply if you are a Wholesale Investor (as defined in the Glossary).

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise) and Wholesale Investors (as defined in the Glossary) receiving this PDS in New Zealand (electronically or otherwise) who have completed a Wholesale Investor Certificate attached to the Application Form. All references to dollars or “\$” in this PDS are to Australian dollars.

This PDS has not been, and will not be, lodged with the Registrar of Financial Service Providers in New Zealand, and is not a Product Disclosure Statement under the Financial Markets Conduct Act 2013 (NZ). New Zealand Wholesale Investors wishing to invest in the Fund should be aware that there may be different tax implications of investing in the Fund and should seek their own tax advice as necessary. If you received this PDS electronically we will provide a paper copy free upon request during the life of this PDS. The PDS is available on [www.milfordasset.com.au](http://www.milfordasset.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or you can request a copy free of charge by contacting Milford on 1800 161 310 or Equity Trustees on +613 8623 5000.

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

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

- by contacting Milford on 1800 161 310; or
- by visiting the Milford website at [www.milfordasset.com.au](http://www.milfordasset.com.au)

A paper copy of the updated information will be provided free of charge on request.

## 1. Fund at a glance

	Summary	For further information
<i>Name of the Fund</i>	Milford Diversified Income Fund (AU)	Section 5
<i>APIR Code</i>	ETL1908AU	Section 5
<i>ARSN</i>	638 846 321	Section 5
<i>Investment objective</i>	The Fund aims to provide a regular income as well as providing moderate capital growth, while seeking to preserve capital over rolling two-year periods (net of fees).	Section 5
<i>Fund Benchmark</i>	RBA cash rate +3.5% per annum	Section 5
<i>Investment strategy</i>	The Fund aims to achieve its objective by investing primarily in fixed interest and equity income generating securities. Derivatives may be used for efficient portfolio management and foreign currency hedging.	Section 5
<i>The type(s) of investor(s) for whom the Fund would be suitable</i>	The Fund is open to all investors and in particular is suitable for investors with a medium risk tolerance who are seeking regular income while maintaining moderate levels of capital growth.	Section 5
<i>Recommended investment timeframe</i>	4 Years +	Section 5
<i>Minimum initial investment<sup>1</sup></i>	\$1,000	Section 7
<i>Minimum additional investment</i>	\$1,000 You can also invest via direct debit on a monthly basis using the savings plan. The minimum monthly savings plan investment into the Fund is \$100 per month.	Section 7
<i>Minimum withdrawal amount</i>	\$1,000	Section 7
<i>Minimum balance</i>	\$1,000	Section 7
<i>Cut off time for applications and withdrawals</i>	12.00 pm (Australian Eastern Standard Time) on each Business Day	Section 7
<i>Valuation frequency</i>	The Fund's assets are normally valued daily.	Section 7
<i>Applications</i>	Accepted each Business Day.	Section 7
<i>Withdrawals</i>	Accepted each Business Day.	Section 7
<i>Income distribution</i>	Monthly	Section 7
<i>Management fees and costs</i>	0.76% p.a. of the GAV of the Fund	Section 9
<i>Performance fee</i>	Nil	
<i>Entry fee/exit fee</i>	Nil	Section 9
<i>Buy/Sell spread</i>	+/- 0.15% on applications into the Fund, and withdrawals out of the Fund.	Section 9

<sup>1</sup> The minimum investment amount may be waived by us in our absolute discretion.

## 2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission ("ASIC") Regulatory Guide 240 ("RG 240"). The following table and the tables in Sections 1 and 3 set out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of RG 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from [www.asic.gov.au](http://www.asic.gov.au).

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

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
<b>Benchmark 1: Valuation of assets</b>			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>Equity Trustees has appointed an independent administrator, Apex Fund Services Pty Ltd ("Apex" or the "Administrator"), to provide administration services for the Fund.</p> <p>The Fund satisfies ASIC Benchmark 1 by having its non-exchange traded assets independently priced by Apex.</p> <p>Over-the-counter ("OTC") Derivatives are generally valued by reference to the counterparty settlement price which is based upon broad financial market indices.</p>	Section 5
<b>Benchmark 2: Periodic reporting</b>			
This benchmark addresses whether the Responsible Entity of the Fund will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	Yes	The Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	Section 8

### 3. Disclosure Principles

	Summary	Section (for further information)
<i>Investment strategy</i>	The Fund aims to achieve its objective by investing primarily in fixed interest and equity income generating securities. Derivatives may be used for efficient portfolio management and foreign currency hedging.	Section 5.2
<i>Investment manager</i>	<p>Equity Trustees Limited, as Responsible Entity of the Fund, has appointed Milford Australia Pty Ltd as the Investment Manager of the Fund.</p> <p>See Section 4 in relation to the expertise of the Investment Manager and the Investment Management Agreement under which the Investment Manager has been appointed.</p> <p>Under the Investment Management Agreement between the Investment Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager's appointment where the Investment Manager becomes insolvent, materially breaches the agreement and does not correct the breach, ceases to carry on its business as investment manager or in certain other circumstances. In the event that Equity Trustees terminates the Investment Manager following one of these events, the Investment Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.</p>	Section 4
<i>Fund structure</i>	<p>The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme.</p> <p>The responsible entity of the Fund is Equity Trustees Limited. Equity Trustees Limited may appoint service providers to assist in the ongoing operation, management and administration of the Fund.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> <li>• Milford Australia Pty Ltd, the investment manager of the Fund;</li> <li>• HSBC Bank Australia Limited, the custodian of the assets of the Fund;</li> <li>• Apex Fund Services Pty Ltd, the provider of administration, registry and client services for the Fund; and</li> <li>• UBS AG, Australia Branch, which may be used as the prime broker of the Fund from time to time.</li> </ul> <p>See Section 5.3 for further information on other key service providers, Equity Trustees' role in monitoring the performance of service providers and a diagram of the flow of funds through the Fund.</p>	Section 5.3
<i>Valuation, location and custody of assets</i>	<p>HSBC Bank Australia Limited ("HSBC") is the custodian of the Fund and provides custody services.</p> <p>Apex is responsible for calculating the Fund's NAV as the provider of Fund administration services. HSBC and Apex respectively maintain the financial books and records so far as may be necessary to give a complete record of all transactions carried out by them on behalf of the Fund.</p> <p>See section 5.9 for further information on the valuation and custodial arrangements.</p> <p>Apex Fund Services Pty Ltd is also the provider of registry and client services.</p>	Section 5.9
<i>Liquidity</i>	The majority of assets that will be traded and held by the Fund are liquid and are expected to be liquid for the purposes of the Corporations Act.	Section 5.4
<i>Leverage</i>	The Fund will not borrow money to gear or to otherwise add leverage. However leverage may be obtained through its use of short selling or Derivatives.	Section 5.2, 5.5 and 6

	<b>Summary</b>	<b>Section (for further information)</b>
<i>Derivatives</i>	The Fund is permitted to use Derivatives. The Fund may invest in Derivatives to increase or decrease its exposure to investments for the purpose of efficient portfolio management. For key risks to the Fund associated with the collateral requirements of the derivative counterparties, please see Section 6.	Section 5.2, 5.5, 5.7 and 6
<i>Short selling</i>	The Fund is permitted to use short selling up to a maximum limit of 10% of GAV. The risks associated with short selling and the ways in which the Investment Manager seeks to mitigate those risks are set out in sections 5.6 and 6. See Section 5.7 for further information on how the Derivatives are monitored.	Section 5.6 and 6
<i>Withdrawals</i>	Daily. Withdrawal requests must be received by 12pm (AEST) on any Business Day to receive that day's unit price. Withdrawals are usually processed within 5 Business Days after receipt of a correctly completed withdrawal request. Payment of withdrawals is usually made by deposit to your nominated bank account. See Section 7 for more information on making a withdrawal.	Section 7

## 4. Who is Managing the Fund?

### **The Responsible Entity**

#### **Equity Trustees Limited**

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

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

### **The Investment Manager**

#### **Milford Australia Pty Ltd**

Milford is a wholly owned subsidiary of Milford Asset Management Limited ("MAM"). MAM was formed in 2003 and is a well-established, award winning investment management group that has over \$15 billion AUD under management. Milford is a boutique investment firm that was created in Australia in April 2014 to enable investors to take advantage of the investment expertise and experience of the MAM team.

### **The Custodian**

#### **HSBC Bank Australia Limited**

Equity Trustees has appointed HSBC Bank Australia Limited as the Custodian to hold the assets of the Fund. The Custodian's role is limited to holding the assets of the

Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

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

### **The Prime Broker**

#### **UBS AG**

UBS AG has been appointed to act as Prime Broker of the Fund for short selling physical securities.

### **The Unit Registrar and Administrator**

#### **Apex Fund Services Pty Ltd**

Apex Fund Services Pty Ltd (referred to throughout this PDS as the "Administrator" or "Apex") is the provider of unit registry and client services and maintains investor records for the Fund.

Apex's role is limited to Fund administration, unit registry and client services. Apex is a specialist fund administrator for the financial services industry, with over \$130 billion of assets under administration.

Apex has given and not withdrawn its consent to be named in this PDS.



## 5. How the Fund Invests

### 5.1 Investment Objective

The Fund aims to provide a regular income as well as providing moderate capital growth, while seeking to preserve capital over rolling two-year periods (net of fees).

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.

### 5.2. Investment Strategy

The Fund aims to achieve its objective by investing primarily in fixed interest and equity income generating

securities. The Fund is an actively managed multi-asset, absolute return fund. Its asset allocation will utilise the breadth of its asset class ranges at different points of the market cycle to help achieve its investment objective. The Fund will look to manage risk through appropriate portfolio diversification and Derivatives may be used for efficient portfolio management and foreign currency hedging.

The Fund is permitted to use short selling up to a maximum limit of 10% of GAV through the use of physical securities or Derivatives to buy and sell specific securities.

#### Investment guidelines

The following are the Fund's indicative neutral asset allocations and asset allocation ranges\*:

Asset class	Neutral asset allocation	Maximum ranges
Cash and cash equivalents**	5%	0-60
Australian Fixed interest	20%	0-70
International Fixed interest	35%	0-70
Australian Equities	20%	10-50
International Equities	5%	0-40
Listed Property	15%	0-30

\* If the Fund moves outside of these ranges as a result of market movements or investments into or withdrawals from the Fund, this will be addressed as soon as practicable.

\*\*Cash includes investments in term deposits.

1. The foreign currency exposure-neutral position is 0% (max 10%).
2. Derivatives can be used to increase or decrease exposure to investment markets for the purpose of efficient portfolio management.
3. The Fund can short sell stocks (10% limit).

The Fund may also make other investments as permitted by the Fund's Constitution.

The following are the Fund's growth and income asset neutral positions and ranges:

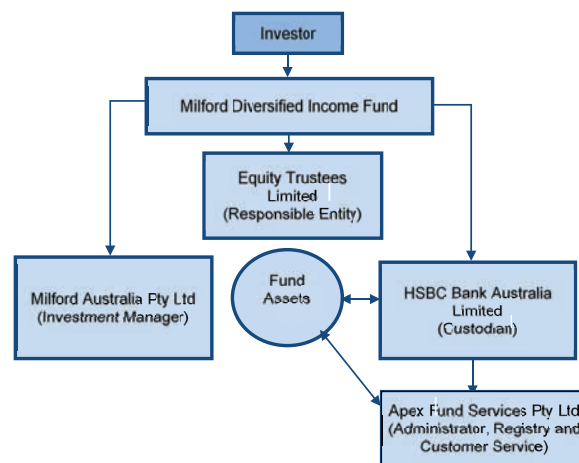
	Neutral	Minimum	Maximum
Growth Assets	40%	10%	50%
Income Assets	60%	50%	90%

### 5.3. Fund Structure

The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme and is governed by the Constitution. The Fund is permitted to have more than one class of units and currently has two classes of units. Investors are offered units in class 1 under this PDS. The Fund comprises assets which are acquired in accordance with the investment strategy. Investors receive units when they invest, however, it does not give the investor an interest in any particular asset. The value of a unit in the Fund is determined by reference to the assets and liabilities of the class of units held in the Fund.

The Responsible Entity has entered into service agreements with the service providers, and will, with the assistance of Milford, regularly monitor the performance of the service providers against service standards set out in the relevant agreements. The service providers and their relationship to the Fund, and the flow of funds through the Fund are shown in the diagram below:

Equity Trustees is the responsible entity of the Fund and has appointed Milford as the investment manager to manage the investments of the Fund on a day to day basis. The Responsible Entity has engaged a number of key professional service providers to provide a range of investment, administration and back office services to the Fund including custody, administration and transaction execution as well as for registry and customer service.



The key service providers to the Fund are:

- Milford Australia Pty Ltd, the investment manager of the Fund;
- HSBC Bank Australia Limited, the custodian of the assets of the Fund;
- Apex Fund Services Pty Ltd, the provider of administration, registry and client services for the Fund.

Service providers to the Fund may change without prior notice to investors. Investors will be notified of any change to service providers in the regular reports available as described in section 8. Risks relating to the use of third party service providers are outlined in section 6.

#### 5.4. Liquidity

As at the date of this PDS, Milford estimates, should the need arise, to be able to realise 80-100% of the Fund's assets, within 10 Business Days.

The Fund does not set any specific restrictions in terms of the liquidity of the Fund. Liquidity, however, is an important consideration which is taken into account as part of the ongoing investment strategy management of the Fund.

Please refer to section 6 of this PDS for further information on liquidity risk and how this risk will be managed.

#### 5.5. Leverage

Leverage occurs when a fund has exposure to underlying assets which is more than the amount invested. The Fund is not permitted to add leverage through borrowing money, however leverage may be obtained through its use of short selling or Derivatives.

#### 5.6. Short Selling

The Fund is permitted to use short selling up to a maximum limit of 10% of GAV through the use of physical securities or Derivatives to buy and sell specific securities.

#### 5.7. Derivatives

The Fund is permitted to use Derivatives to increase or decrease market exposure for the purpose of efficient portfolio management. The Fund is also permitted to use foreign exchange Derivatives for hedging an asset of the Fund against, or to minimise liability from, a fluctuation in market values, for example, foreign exchange forwards for currency hedging of New Zealand dollars back to Australian dollars. If used, Derivatives may include listed exchange traded and OTC securities, including Contracts for Differences, index futures, swaps, options and Foreign Exchange forward contracts.

For the purpose of monitoring Derivative exposures, Derivative instruments that share a common underlying asset are treated as a single exposure, equivalent to the net position of the individual exposures. Total Derivative exposure is then monitored as the absolute sum of each of the net positions.

#### 5.8. Currency Policy

Equities are denominated in their local currency. Currency is taken into account at the portfolio level and positions are adopted purely as a hedging tool to reduce overall currency risk.

#### 5.9. Valuation and Custody of Assets

All assets in the Fund are independently valued by the Administrator and held by an independent custodian.

#### 5.10. Labour standards and environmental, social and ethical considerations

The Responsible Entity and Milford's investment process may consider the environmental, social and governance (ESG) performance of a company as one of a number of factors when deciding whether to select, retain or realise an investment in the Fund.

Investments are assessed against Milford's proprietary internal ESG checklist, which considers various factors, including climate related targets and transition plans, health and safety performance, modern slavery risk and whether the company is the subject of severe controversy.

Milford's preference is to engage with companies to address areas of sustainability weakness or concern. Milford believes the biggest impact can be made by engaging with the companies the Fund invests in to drive them to improve the sustainability of their practices.

Milford engages with companies in the Fund in three main ways:

1. Proactive engagement: Milford provides regular feedback to company management teams and boards.
2. Reactive engagement: Milford will respond to unexpected controversies such as major breaches of environmental or social requirements, as determined by Milford's Controversy Assessment Matrix.
3. Active proxy voting: Milford communicates expectations through proxy voting and shares concerns with boards when required.

Milford does not invest in companies that ignore sustainability risks and are not working to a more sustainable future (e.g., companies that rate poorly on a

number of sustainability measurements such as having no emissions targets, unaddressed biodiversity impact and/or modern slavery risk and limited non-financial disclosures).

While Milford's preference is to engage to address areas of sustainability weakness or concern, Milford uses its ESG Exclusion List in individual cases if required. Companies will be added to the ESG Exclusion list if they fail the Milford ESG Checklist, are the subject of a severe controversy or refuse to engage with Milford when the need for change has been identified and engagement has been initiated (for example, companies that rate poorly on the Milford ESG checklist and have been contacted multiple times to discuss the issue with no response).

Milford currently will not invest directly in companies involved in the production or sale of anti-personnel mines that are not compliant with the Anti-Personnel Mines Prohibition Act 1998, production, design, testing, assembly or refurbishment of nuclear explosive devices, production or development of cluster munitions, manufacture of certain weaponry, the manufacture of tobacco, alternative tobacco products and recreational cannabis and the processing of whale meat. This applies to subsidiary or parent companies that are also involved in those activities.

Further, Milford can use indirect investments for market exposure and hedging purposes. Milford monitors the extent to which these indirect investments have exposure to companies on Milford's internal ESG Exclusion List with a view to ensuring the exposure is immaterial in aggregate across all Milford funds.

For details of Milford's engagement activities and exclusions, please refer to <https://milfordasset.com/about-us/sustainable-investing>.

Further details regarding Milford's approach to sustainable investing can be found at <https://milfordasset.com.au/document/sustainable-investment-statement/>.

### **5.11. Significant Benefits**

Some of the significant benefits of investing in the Fund are as follows:

- To provide regular monthly income and moderate capital growth through a diversified portfolio of fixed interest and equity income generating securities, across a range of market conditions.
- A focus on absolute returns rather than benchmark relative returns, while seeking to preserve capital over rolling 2-year periods.
- The Fund provides access to the investment expertise of Milford's investment team in Australia and MAM in New Zealand.
- The Fund employs systematic measuring, monitoring and management of investment risk.
- The Fund provides regular investment reporting (annual as well as periodic) with respect to your investment.

## 6. Managing Risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and the Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed, and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

### Key Risks

Some of the things that may cause the Fund's value to move up and down are summarised below. These risks are not exhaustive:

### General Investment Risks

#### Investment return risk

Past performance is no guarantee of future performance. As Milford is an active manager, there is a risk that the Fund may underperform compared with its investment objective or with the market.

#### Market risk

Returns of the Fund will be affected by the performance of the investments chosen for the Fund which may in turn, be affected by the performance of the investment markets generally. This risk, related to market performance, includes demand and supply in the market and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, environmental (including climate change), and technological issues, and consumer demands.

#### Interest rate risk

This refers to the risk that the market value of the investments of the Fund can change due to changes in interest rates. The market value of fixed interest securities can fluctuate significantly with relatively small changes in interest rates.

#### Credit risk

The value of debt securities may be impacted by the issuer's ability to pay interest and principal owed as they become due. If there is a negative perception of the issuer's ability to meet its payment obligations, the value of the debt security may decrease.

### Liquidity risk

Some investments may not be easily converted into cash with little or no loss of capital and minimum delay, because of insufficient availability of buyers, suspension of trading on request from the market regulator or the entity involved, fund outflows, or disruptions in the market place. Securities of small entities in particular may, and especially in falling markets, become less liquid. Milford may also hold a small number of unlisted securities that are far less liquid than listed securities.

### Currency risk

Where underlying investments are invested in jurisdictions outside of Australia, the returns may be affected by movements between the other currencies and the Australian dollar.

### Entity risk

The Fund's investment in an entity may be affected by unexpected changes in that entity's operations or business environment, including the risk that the entity may become insolvent. If this occurs the Fund may receive a smaller or no return from, or it may lose, its investment in the entity.

### Counterparty risk

A counterparty to a contract may fail to meet their obligations under it, causing loss to the Fund. This potentially arises with various investments including Derivatives and fixed interest securities.

### Derivative risk

Because the Fund may use Derivative instruments such as futures and options, that are contracts between two parties that usually derive their value from the price of an underlying physical asset or market index, the investment movements may be more volatile than if a Fund is invested solely in equities or fixed interest securities. Derivatives can be used to manage risks, but may expose the Fund to other risks. This means that the use of Derivatives can lead to higher gains or losses than a portfolio that does not use Derivatives. The Responsible Entity and Milford have Derivatives policies in place including on the types of Derivatives used, controls on their use and the processes for assessing compliance with those controls. A Derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the Derivative. The Responsible Entity mitigates this price risk through diversification and a careful selection of securities and other financial instruments.

### Short selling risk

Short selling involves selling securities that may or may not be owned by the seller and then borrowing these securities for delivery to the purchaser with the obligation to replace the borrowed securities at a later date. A short sale involves the risk of a theoretically unlimited increase in the price of the particular investment sold short, which could result in the inability of the Fund to have sufficient assets to cover the short position. The Fund engages in short selling to capture a desired underweight position, but limits this to 10% of GAV (see Section 5 for further details).

### Contract for Differences risk

Short positions and Derivatives may be traded using Contracts for Differences ('CFD'). The risks associated

with CFDs include Market, Liquidity and Counterparty risks. As short positions and Derivatives may be traded using a CFD, margin calls may be at a short notice, and the CFD provider may liquidate positions at a loss for which the Fund may be liable. There is also a Counterparty risk associated with the financial stability of the Counterparty to a contract. If the counterparty cannot meet their financial obligations, the CFD may have no value regardless of the underlying instrument.

#### **Fund of funds risk**

The Fund may invest into underlying funds. An investment of a Fund in an underlying managed fund may be affected by unexpected changes in that underlying managed fund's operations or business environment. There may also be a risk that the underlying managed fund may have its assets frozen for a period of time or that the manager of that fund suspends repayments. This may have an impact on your ability to withdraw, from the Fund.

#### **Pandemic and other unforeseen event risk**

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager, Fund Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

#### **Fund risk**

The Fund could terminate, the fees and expenses could change, the Investment Manager or the Responsible Entity could be replaced and the Investment Manager's investment professionals could change.

#### **Other general risks**

Outlined below are other general risks which we believe may affect the Fund, along with the Responsible Entity

and Milford's approach to seek to reduce the risk. The value of your investment and your ability to withdraw funds may be affected by some or all of the following risks.

#### **Service provider risk**

You could be adversely affected if any of the various parties involved in the operation of the Fund, including us, or service providers fail to perform their obligations. This could impact your returns or the ability to withdraw your funds. We actively monitor and review the performance of all key service providers in performing their agreed contractual arrangements.

#### **Operational Risk**

This is the risk of technological or process failure or impacts from the wider financial market in general. This could impact your returns or the ability to withdraw your funds. The Responsible Entity and Milford have a risk management policy that incorporates its business continuity plan to minimise business disruption from failures or unforeseen events.

#### **Regulatory and tax risk**

Fund performance may be affected by regulatory changes and changes to tax legislation in Australia or other jurisdictions, which could have an impact on the value of your investment. To reduce these risks, Milford's investment process takes into account the tax and regulatory implications of its investment decisions.

#### **Fund liquidity and repayment risk**

This is the risk that the Fund cannot make repayment payments on time. This is due to a mismatch between the maturity profile of the investments and the amounts required to meet repayments. We have the right to defer repayments, switches and transfers if we believe the realisation of assets to meet the repayment is not practicable, would be materially prejudicial to all investors, or is not desirable for the protection of the Fund. Milford aims to have the Fund primarily invest in liquid assets and markets with appropriate diversification. We also monitor the liquidity profile of the Fund and the historic repayment profile.

## 7. Investing and Withdrawing

### Initial and Online Applications

Investors can acquire units by completing an Application Form that accompanies this PDS or completing the application process online or by making an application through the mFund settlement service (“mFund”) by placing a buy order for units with your licensed broker. New Zealand investors must also complete the Wholesale Investor Certification provided. Applicants must be 18 years of age or over. The minimum investment amount for the Fund is \$1,000. We may waive the minimum investment amount at our absolute discretion.

To invest directly please visit <https://milfordasset.com.au/invest-now> or complete the Application Form accompanying this PDS and send your original Application Form to:

Apex Fund Services Pty Ltd  
Client Services Registry Team  
GPO Box 4968  
Sydney NSW 2001

Application money should be transferred to the bank account as per the details shown in the Application Form.

If you choose to apply for units in the Fund online you will be required to register, confirm your acceptance of the terms and conditions, and download a copy of this PDS prior to proceeding. The online application includes the option of completing your AML and KYC requirements online, and submitting the application directly using an electronic signature.

Please note that the online Application Form is only available for initial applications and cannot be used for additional investments.

Indirect Investors should use the Application Form attached to their IDPS Guide (not the Application Form accompanying this PDS) to invest in the Fund. You will need to contact your IDPS Operator regarding the cut-off times for pricing purposes and the minimum investment amount.

If applying directly via mFund, you will need to provide the application money directly to your licensed broker.

The price at which units are acquired is determined in accordance with the Constitution (“Application Price”). The Application Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue plus any transaction costs.

Unit prices are calculated daily.

The cut-off time for applications is 12:00pm (Australian Eastern Standard Time) on any Business Day for receipt of that day’s unit price, calculated as at the closing market for that day. Applications can be made between 9:00 a.m. and 5:00 p.m. on any Business Day. However, for unit pricing purposes any application received after 12:00 p.m. on a Business Day will generally be treated as having been received the following Business Day.

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

Transaction costs may reduce the number of units which you receive when applying for units. See the ‘Buy/Sell Spread’ information in the fees section for further information.

The Application Price will vary as the market value of assets in the Fund rises or falls.

### Additional Applications

Unit holders can add to their investment by completing an Application Form accompanying the current PDS. The minimum additional investment is \$1,000.

You can also invest via direct debit on a monthly basis using the savings plan. The minimum monthly savings plan investment into the Fund is \$100 per month.

### Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in the initial applications section above.

Please note that we do not pay interest on application monies.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

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

### Cooling off period

If you are a Retail Client you may have a right to ‘cool off’ in relation to an investment in the Fund, you have up to 14 days from the earlier of:

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

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

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

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an

Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unitholder in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern any rights an Indirect Investor may have in this regard.

## **Making a withdrawal**

Investors of the Fund can withdraw their investment by written request to:

Apex Fund Services Pty Ltd  
Client Services Registry Team  
GPO Box 4968  
Sydney NSW 2001

Or sending it by fax to +612 9251 3525

Or by making a withdrawal request through mFund by placing a sell order for units with your licensed broker.

The minimum withdrawal amount is \$1,000, subject to the minimum balance requirements. The price at which units are withdrawn is determined in accordance with the Constitution (“Withdrawal Price”). The Withdrawal Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue less any transaction costs.

Unit prices are calculated daily.

The cut-off time for withdrawals is 12:00 pm (AEST) on any Business Day, for receipt of that day’s unit price, calculated as at the closing market for that day.

Transaction costs may reduce the amount which you receive on withdrawal. See the ‘Buy/Sell spread’ information in the fees section for further information.

The Withdrawal Price will vary as the market value of assets referable to the Fund rises or falls.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

Withdrawal requests received from New Zealand investors must specify:

- The withdrawal amount in Australian dollars; or
- The number of units to be withdrawn

We are unable to accept withdrawal amounts quoted in New Zealand dollars. If you are a New Zealand investor, please note that the withdrawal amount paid to you will be in Australian dollars and may differ from the amount you receive in New Zealand dollars due to:

- Foreign Exchange spreads between Australian and New Zealand dollars (the currency exchange rates differs daily); and
- Overseas Telegraphic Transfer costs.

Withdrawals will only be paid directly to the unitholder’s AUD bank account held in the name of the unitholder with an Australian-domiciled bank. Withdrawal payments will not be made to third parties.

## **Access to funds**

Apex will generally pay withdrawals within 5 Business Days of receipt of a withdrawal request by transferring the withdrawal proceeds to your nominated bank account or, where the request is received via mFund, to the investor’s licensed broker.

Equity Trustees reserves the right to fully redeem your investment upon 30 days’ notice if your investment balance in the Fund falls below \$1,000 as a result of processing your withdrawal request.

If Equity Trustees increases this minimum balance, Equity Trustees may, after giving 30 days’ notice to a unit holder who holds units with an aggregate Withdrawal Price less than the then current minimum balance, redeem that unitholder’s units without a need for a withdrawal request. Equity Trustees may also request that a unit holder dispose of their units to a person who is an Eligible Person or where the Fund is liquid (as defined in the Corporations Act), lodge a withdrawal request in respect of all units the unit holder holds within 30 days (or such longer period as the Trustee may determine from time to time). If the unit holder fails to comply with that request and the Fund is liquid, Equity Trustees may compulsorily redeem the unit holder’s units.

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

## **Terms and conditions for withdrawals**

Once your withdrawal request is received, your instruction may be acted on without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory’s (apparent) signature(s).

Equity Trustees and/or Apex reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Please note that messages sent via email must contain a duly signed document as an attachment.

No withdrawal proceeds will be paid until Apex has received the withdrawal request signed by the investor or an authorised signatory. Neither Equity Trustees nor Apex shall be responsible for any mis-delivery or non-receipt of any facsimile or email. Facsimiles or emails sent to Apex shall only be effective when actually received by Apex.

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

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.

- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.
- The Constitution allows Equity Trustees to deny a withdrawal request where accepting the request would cause the fund to cease to be liquid or where the fund is not liquid (as defined in the Corporations Act). When the fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

Under the Corporations Act and the Constitution of the Fund, an investor does not have a right to withdraw from the fund if the fund is illiquid. In such circumstances you can only withdraw where Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

A fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, if Equity Trustees is unable to repatriate funds to meet withdrawal payments, it may suspend the calculation of the Net Asset Value and withhold withdrawal proceeds.

## Distributions

The Fund intends to distribute income monthly. Monthly distributions will be based on our estimate of the Fund's annual income in the current financial year with the final distribution of the year including the balance of the actual distributable income and realised capital gains earned over the period.

Distributions will be calculated effective of the last day of a distribution period, and are normally paid to investors as soon as practicable after the period end, although the distribution at 30 June may take longer.

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period and the distributable income.

Investors can have their distribution reinvested or paid to a nominated AUD bank account domiciled in Australia. Investors who do not indicate a preference will have their distributions automatically reinvested immediately after the period end.

In some circumstances, where an investor makes a large withdrawal request (5% or more of the units on issue in the Fund at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income.

## New Zealand investors

If New Zealand investors elect to have their distribution directly credited, they will need to nominate a AUD bank account held in their own name with an Australian domiciled bank otherwise it must be reinvested. Distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted units in accordance with the terms and conditions set out in this PDS.

The distribution reinvestment plan described in this PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors of the same class as you.

There is available from the Responsible Entity, on request and free of charge, a copy of the most recent annual report (if any) of the Fund, the most recent financial statements (if any) of the Fund, the auditor's report on those financial statements or, if those financial statements are not audited or reviewed by an auditor, a statement to that effect, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds/institutional>

## Valuation of the Fund

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

The value of a unit in the Fund is determined on the basis of the value of the investments in the Fund (after taking into account any liabilities of the Fund), in accordance with the Constitution of the Fund.

For example, the application price of a unit in the Fund is based on the NAV of the Fund divided by the number of units on issue plus an allowance for transaction costs required for buying investments. This allowance is known as the buy spread. At the date of this PDS, the buy spread is +/- 0.15% on applications into the Fund, and withdrawals out of the Fund.

## Joint account operation

For joint accounts, each signatory must sign withdrawal requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

## Authorised signatories

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



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

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

If you do appoint an authorised signatory:

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

### Electronic instructions

If an investor instructs Equity Trustees and/or Apex by electronic means, such as facsimile, the investor releases Equity Trustees and/or Apex from and indemnifies Equity Trustees and/or Apex against, all losses and liabilities arising from any payment or action Equity Trustees and/or Apex makes based on any instruction (even if not genuine) that Equity Trustees and/or Apex receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees and/or Apex that the communication has been provided by the investor e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees and/or the Apex or the Fund in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

### SAVINGS PLAN

You can increase your investment in the Fund through a monthly direct debit from your nominated bank account. The minimum additional investment for the Fund under the savings plan is \$100 per month. Direct debits will be processed on the 19th calendar day of the month.

If this is not a business day then the direct debit will be processed on the next occurring business day. See the 'Direct Debit Request Service Agreement below.

The following is your Direct Debit Service Agreement with Apex Fund Services Pty Ltd ABN 81 118 902 891 who acts as the unit registry provider of the Fund. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

### DEFINITIONS

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

**Agreement** means this Direct Debit Request Service Agreement between you and us.

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

**Debit day** means the day that payment by you to us is due.

**Debit payment** means a particular transaction where a debit is made.

**Direct Debit Request** means the Direct Debit Request in the application form or additional application form

**Us or we** means Apex Fund Services, (the Debit User) you have authorised by signing a Direct Debit Request.

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

Your financial institution means the financial institution nominated by you on the DDR at which the account is maintained.

### 1. DEBITING YOUR ACCOUNT

a) By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.

b) We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.

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

### 2. AMENDMENTS BY US

a) We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

### 3. AMENDMENTS BY YOU

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

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

Or

II. by telephoning us on 1300 133 451 during business hours; or

III. arranging it through your own financial institution.

#### **4.YOUR OBLIGATIONS**

a) It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.

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

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

II. you may also incur fees or charges imposed or incurred by us; and

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

c) You should check your account statement to verify that the amounts debited from your account are correct

d) If Apex Fund Services Pty Ltd is liable to pay goods and services tax (“GST”) on a supply made in connection with this agreement, then you agree to pay Apex Fund Services Pty Ltd on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

#### **5.DISPUTE**

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

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

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

#### **6.ACCOUNTS**

You should check:

I. with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.

II. your account details which you have provided to us are correct by checking them against a recent account statement; and

III. with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

#### **7. CONFIDENTIALITY**

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

b) We will only disclose information that we have about you:

I. to the extent specifically required by law; or

II. for the purposes of this agreement (including disclosing information in connection with any query or claim).

#### **8. NOTICE**

a) If you wish to notify us in writing about anything relating to this agreement, you should write to

Apex Fund Services Pty Ltd GPO Box 4968  
Sydney NSW 2001

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

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

## 8. Keeping Track of Your Investment

### Complaints resolution

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

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

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

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint. Other types of complaints and complex complaints may have a different maximum response timeframe. We will let you know if a different maximum timeframe will apply to your complaint.

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

Contact details are:

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

Phone: 1800 931 678

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

Post: GPO Box 3, Melbourne VIC 3001.

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

If you are an Indirect Investor, then enquiries and complaints should be directed to the operator of the IDPS.

### Reports

We will make the following statements available to all investors;

- A transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request).
- The Fund’s annual audited accounts for each period ended 30 June.
- Monthly distribution statement.
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June.
- Annual Investor Update detailing each of the following:
  - the actual allocation to each asset type;
  - the liquidity profile of the portfolio assets as at the end of the period;
  - the maturity profile of the liabilities as at the end of the period;
  - the derivative counterparties engaged (including capital protection providers);
  - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period; and
  - the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest Fund’s annual audited accounts will be available online from [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

The following information is available on Milford’s website and/or is disclosed monthly:

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

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

### Indirect Investors

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. However, Equity Trustees will make available the reports described above to relevant IDPS Operators as required, excluding Fund administration reports which Apex will provide to the IDPS Operators. Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

### Continuous Disclosure

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

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

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

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

## 9. Fees and Other Costs

### DID YOU KNOW?

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

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

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

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

### TO FIND OUT MORE

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

### Fees and other costs

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

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment. For Indirect Investors, the fees listed in the 'Fees and Other Costs' section of this PDS are in addition to any other fees and charges charged by your IDPS operator.

### Fees and Costs Summary

Milford Diversified Income Fund (AU)		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs<sup>2</sup></i> The fees and costs for managing your investment	0.76% of the GAV of the Fund	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.00% of the GAV of the Fund	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable

## Milford Diversified Income Fund (AU)

<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	0.15% upon entry and 0.15% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Not applicable	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Not applicable	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Not applicable	Not applicable

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

<sup>2</sup> The management fee component of management fees and costs can be negotiated. See “Differential fees” in the “Additional Explanation of Fees and Costs” below.

<sup>3</sup> If you have a financial adviser, you may also have to pay additional fees to your adviser. Details of those fees should be set out in the Statement of Advice or Financial Services Guide given to you by your adviser.

### Additional Explanation of Fees and Costs

#### Management fees and costs

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

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

The management fees component of management fees and costs of 0.76% p.a. of the GAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the GAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2022.

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

#### Abnormal expenses

Abnormal expenses other than those referred to in the management fees and costs section above may be reimbursed from the Fund. These are costs which are not expected to be incurred on a regular basis, such as the costs of holding an investor meeting.

#### Transaction costs

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

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.15% upon entry and 0.15% upon exit. The dollar value of these costs based on an

application or a withdrawal of \$1,000 is \$30 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.milfordasset.com.au](http://www.milfordasset.com.au) will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

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

The net transaction costs for the Fund are 0.00% p.a. of the GAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2022.

However, actual transaction costs for future years may differ.

### Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 2.00% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred for the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

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

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

<b>EXAMPLE - Milford Diversified Income Fund (AU)</b>		
<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR</b>		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management fees and costs	0.76% p.a.	<b>And</b> , for every \$50,000 you have in the Milford Diversified Income Fund (AU) you will be charged or have deducted from your investment \$380 each year
<b>Plus</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year
<b>Plus</b> Transaction costs	0.00% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs
<b>Equals</b> Cost of Milford Diversified Income Fund (AU)		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$380* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

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

### Payments to IDPS Operators

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

### Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Wholesale Clients based on larger investment amounts. Please contact the Investment Manager on 1800 161 310 for further information.

### mFund

Warning: if you are transacting through mFund your stockbroker or accredited intermediary may charge you additional fees (see their Financial Services Guide).

### Adviser Service Fee

If you have a financial adviser, a service charge may be separately negotiated with your financial adviser and deducted from your investment monies before they are invested to buy units. This payment is separate from the costs referred to in section 9 above of the PDS.

Details of any service charge should be set out in the Statement of Advice or Financial Services Guide given to you by your financial adviser.

### Taxation

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

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

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

ASIC provides a fee calculator on [www.moneySMART.gov.au](http://www.moneySMART.gov.au), which you may use to calculate the effects of fees and costs on account balances.

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

## 10. Taxation

### 10.1 Taxation

The taxation information in this Product Disclosure Statement is of a general nature and is current as at its date. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their units on capital account. The application of these laws depends on the individual circumstances of the Investor. The following comments should not be regarded as tax advice and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident unit holders only.

### 10.2 Taxation of the Fund

The Fund is an Australian resident trust estate for Australian tax purposes. On the basis that all of the Fund's trust components are attributed to investors on a fair and reasonable basis under the new AMIT regime or the Fund has distributable income to which investors are presently entitled (which is the Responsible Entity's intention if the Fund does not qualify to be an AMIT), and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their attributed amounts or (if the Fund is not an AMIT) their share of the Fund's net taxable income, and the Fund should not be subject to Australian income tax.

If the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to unit holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses (including to the extent the Fund has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

### 10.3 Fund income & distributions

In a year in which the Fund is not an Attribution Managed Investment Trust ("AMIT"), where a unit holder is presently entitled to a share of the Fund's income for a Financial Year, the unit holder will be liable to tax on their proportional share of the taxable income of the Fund. Investors will be assessed on their proportionate share of the Fund's net taxable income in the Financial Year for which their entitlement to the distributable income arises, even though it may not have been received in that Financial Year. Distributions from the Fund may comprise different components including interest, dividends, net capital gains, other income, franking credits, foreign income, foreign income tax offsets and tax-deferred amounts.

For unit holders who hold their units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred distribution is paid. Instead, the Investor's cost base in the units will be reduced by the tax-deferred amount and may affect the capital gains tax ("CGT") position of the investment. However, for those unit holders who have a zero-cost base in their units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received in excess of the cost base of the units should be treated as a capital gain of the unit holder. Investors should maintain records of their adjustments.

Distributions of income reinvested in further units are treated the same way as distributions. Details of the tax components of distribution made to investors will be included in an annual tax statement.

#### *CGT election*

A Fund which qualifies as a Managed Investment Trust (MIT) may make an irrevocable election for a deemed capital gains tax treatment for gains and losses in disposal of covered assets (including equities and units in trusts, but excluding Derivatives, fixed interest, cash and foreign exchange). Where eligible, the Responsible Entity of the Fund intends that the Fund will make the deemed MIT CGT election for covered assets to be treated on capital account. Hence, where the Fund realised a capital gain on disposal of covered assets, it may be entitled to take into account the discount capital gain concession in determining the amount of the capital gain that is included in the Fund's net income.

### 10.4 Attribution Managed Investment Trust (AMIT)

In a year in which the Fund qualifies to be an AMIT, the Responsible Entity intends for the Fund to make an irrevocable election into the AMIT rules. The AMIT legislation applies an attribution model whereby the responsible entity attributes amounts of trust components of a particular character to investors ('members' for the purpose of this section) on a fair and reasonable basis consistent with the operation of the AMIT's constitution.

Amounts related to income and tax offsets of an AMIT, of a particular tax character are attributed to the members of the AMIT on the basis of their determined member components of that tax character. Notably, there are three determined member components of an income character being (a) assessable income; or (b) exempt income; or (c) non-assessable non-exempt income. A separate determined member component exists for tax offsets.

Assessable income includes ordinary and statutory income from all Australian and foreign sources, discount and non-discount capital gains, capital gains from taxable and non-taxable Australian property, dividends, interest, royalties and the gross-up for franking credits.

The sum of all AMIT trust components must equal the AMIT's assessable income for the income year.

Subsequently deductions that relate directly to each type of AMIT income are applied to each specific income type. Any remaining deductions are allocated to the various types of AMIT income 'on a reasonable basis'.

The effect of the application of deductions is in effect a calculation of the taxable income for the AMIT for the year of income.

The AMIT trustee will subsequently determine the 'taxable member component' for each investor member and must provide each member with an AMIT member annual statement (AMMA statement) which sets out the various trust characters and amounts allocated to that member in an approved format within 3 months of the AMIT year end. The AMMA statement must also notify of any adjustments to the member's cost base in AMIT units. The AMIT trustee is permitted to issue a revised AMMA



statement within 4 years of the AMIT's income year to which it relates in the event of required changes as a result of variance identified consistent with the 'unders and overs' rules.

Some other key features of the AMIT system include:

- Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to differences between estimated and actual of income), unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year they are discovered.
- Where the distribution made for a year is less than or more than certain taxation components attributed to investors, the cost base of an investor's units may be increased or decreased. Details of cost base adjustments will be included on an investor's AMMA Statement.
- In certain circumstances, income and gains may be attributed to a specific investor (e.g. a share of undistributed year to date income, and gains on disposal of assets to fund a large redemption, being attributed to the redeeming investor).
- In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

## 10.5 Franking Credits

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and related franking credits. A credit for these amounts may be available in calculating unit holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45 day holding period rule. Excess franking credits may be refundable to certain resident individuals and complying superannuation entities and in certain cases may generate tax losses for corporate entities.

## 10.6 Foreign Income Tax Offsets

Australian resident Investors may be entitled to claim foreign income tax offsets (FITOs) for foreign tax paid on the foreign income received by the Fund. Investors must include the amount of the credits in their assessable income. The ability to utilise the FITOs will be dependent upon each unit holder's specific tax circumstances. We will advise each Investor of their share of tax credits in the annual tax statement or AMMA.

## 10.7 Disposal or Withdrawal of Units

Unit holders must include any realised capital gain or loss on disposal or withdrawal of their units (together with any capital gain distributed by the Fund) in calculating their net capital gain or loss for a Financial Year. The Fund may determine that part of the redemption price of a unit that represents a distribution of income for tax purposes for the Financial Year. Where the redemption price includes a distribution of income, any capital gain made is reduced by the taxable income amount included in the Investor's assessable income. A net capital gain will be included in a unit holder's assessable income. A net capital loss may be carried forward for offset against capital gains of the unit holder in subsequent years, but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the units have been held for 12 months or more.

For non-resident Investors, complex laws govern the taxation of capital gains distributed by the Fund or those realized on the disposal of units. Accordingly, non-resident Investors should seek their own professional tax advice.

## 10.8 Taxation of Financial Arrangements (TOFA)

Since 1 July 2010, the TOFA provisions have applied on a mandatory basis to qualifying taxpayers for certain financial arrangements. The TOFA rules may apply to financial arrangements held by the Fund when calculating its assessable income. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on an accruals basis and treats the relevant gains and losses on revenue account. As at the date of this Product Disclosure Statement, we, as Responsible Entity of the Fund, have not made an election to apply any of the elective methods under TOFA.

## 10.9 Controlled Foreign Company (CFC) Rules

The CFC rules may apply to certain interests in foreign companies where controlling interests are held by one or more Australian residents (including the Fund), in certain circumstances. Under the CFC rules, the net (taxable) income of a Fund may include the Fund's share of a CFC's attributable income (generally passive income) for a year on an accruals basis, even though the income has not been distributed by the CFC. However, it is generally expected that the Fund's interests in foreign companies will not be CFC interests. If applicable, the Responsible Entity will monitor the concentration of Australian (or Australian associated) ownership of any foreign companies to determine if any income attribution under the CFC rules is required.

## 10.10 Taxation reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its investors.

Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

## 10.11 Non-Resident Withholding Tax

If an Investor is not an Australian resident, withholding tax will normally be deducted from distributions before they are paid to the unit holder. The tax rate will depend on the nature of the distribution and the country in which the Investor resides.

Distributions of income reinvested in further units are treated the same way as distributions. Distributions of capital may have tax consequences.

### **10.12 Goods and Services Tax (GST)**

The Goods and Services tax (“GST”) is not applied to the application for or withdrawal of units in the Fund, as these are input-taxed financial supplies. However, GST generally applies to Fund management fees and expense costs. The Fund is entitled to claim Reduced Input Tax Credits at the prescribed percentage of 55% or 75% (depending on the acquisition) from the ATO for part of the GST paid.

### **10.13 Tax File Numbers and Australian Business Numbers**

An Investor is not required to quote their Tax File Number (“TFN”) or Australian Business Number (“ABN”). However, if the unit holder is an Australian resident for

taxation purposes and a TFN or ABN is not provided or an exemption is not claimed, we are required to withhold tax at the highest marginal rate, plus the Medicare levy, from Fund distributions.

### **10.14 New Zealand resident taxation**

If you are a New Zealand resident wishing to invest in Australia, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.

## 11. Other Important Information

### Consent

Each of the Investment Manager, The Administrator and the Custodian (the "Service Providers") has given and, as at the date of this PDS, has not withdrawn:

- its written consent to be named in this PDS in the relevant capacity; and
- its written consent to the inclusion of the statements made about it and the Fund and which are specifically attributed to it, in the form and context in which they appear.

The Service Providers have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. None of the Service Providers nor their employees and officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

### mFund Settlement Service

You must use a mFund accredited and licensed broker to facilitate your transactions on mFund. Your chosen broker may charge you additional fees which are not outlined in the Fees and Costs section of this PDS.

### Constitution of the Fund

You will be issued Units in the Fund when you invest. The Fund is permitted to have more than one class of units and has two classes of units. Subject to the rights, obligations and restrictions of a class, each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease;
- processing withdrawals, such as if a Fund becomes 'illiquid';
- the nature of the units - identical rights attach to all units within a class; and
- an investor's rights to attend and vote at meetings - these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;

- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Fund - which is as permitted by law;
- when we can be removed as the Responsible Entity of the Fund - which is when required by law; and
- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets.

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees' responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests. Copies of the Constitution are available, free of charge, on request from Equity Trustees.

### Non-listing of units

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

### Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the aggregate of the Withdrawal Price for each of the units they hold in the Fund.

## **Our legal relationship with you**

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

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

To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation.

Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights.

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

## **Compliance plan**

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

## **Unit pricing discretions policy**

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

## **Indemnity**

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

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

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

To meet this legal requirement, existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

To comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

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

If you apply for units via mFund you may be required to provide the KYC documents to your broker (rather than the Administrator).

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

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

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

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

## **Common Reporting Standard ("CRS")**

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures.

These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

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

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

## Your privacy

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

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

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

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

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

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;

- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

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

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

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

## Information on underlying investments

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

## Indirect Investors

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

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

## Target Market Determination

The Target Market Determination ("TMD") for the Fund is available on Equity Trustees' or the Investment Manager's website.

## NZ Selling Restriction

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor who has completed a Wholesale Investor Certification. Each New Zealand investor acknowledges and agrees that:

(a) he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund; and

(b) he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and

(c) he, she or it has not distributed and will not distribute, directly or indirectly, a PDS or any other offering materials or advertisement in relation to any offer of any units in the Fund,

in each case in New Zealand other than to a person who is a Wholesale Investor; and

(d) he, she or it will notify Equity Trustees Limited if he, she, or it ceases to be a Wholesale Investor.

All references to Wholesale Investor in this document are a reference to an investor who is both a Wholesale Client under the Australian Corporations Act 2001 and Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) and (unless otherwise agreed with the Responsible Entity) who invests in the Fund via a custody service providing New Zealand Foreign Investment Fund tax reporting.

## 12. Glossary of Important Terms

### **AFSL**

Australian Financial Services Licence.

### **Apex or Administrator**

Apex Fund Services Pty Ltd.

### **Application Form**

The Application Form that accompanies the PDS.

### **ASIC**

Australian Securities and Investments Commission.

### **ATO**

Australian Taxation Office.

### **AUSTRAC**

Australian Transaction Reports and Analysis Centre.

### **Bottom-up**

An investment strategy in which companies are considered based on their own merit, without regard for the sectors they are part of, or the current economic conditions.

### **Business Day**

A day other than Saturday or Sunday on which banks are open for general banking business in Melbourne or Sydney or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the administrator performs such functions.

### **Buy/Sell Spread**

The difference between the Application Price and Withdrawal Price of units in the Funds, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Funds.

### **Constitution**

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time.

### **Corporations Act**

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

### **Derivative**

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

### **Equity Trustees**

Equity Trustees Limited (ABN 46 004 031 298) who possess an AFSL No. 240975.

### **Fund**

Milford Diversified Income Fund (AU) ARSN 638 846 321

### **Fund Benchmark**

RBA cash rate + 3.5%

### **Gross Asset Value (GAV)**

Value of the investments of the Fund before deducting certain liabilities including income entitlements and contingent liabilities.

### **GST**

Goods and Services Tax.

### **Hedge**

An investment made to reduce the risk of adverse price movements in a security by taking an offsetting position in another investment.

### **IDPS**

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

### **Indirect Investors**

Individuals who invest in the Fund through an IDPS.

### **HSBC Bank Australia Limited or Custodian**

HSBC Bank Australia Limited.

### **mFund**

The mFund Settlement Service

### **Net Asset Value (NAV)**

Value of the investments of a Class after deducting certain liabilities including income entitlements and contingent liabilities.

### **OTC Derivatives**

Derivatives sold over the counter rather than traded on a listed market.

### **PDS**

This Product Disclosure Statement, issued by Equity Trustees.

### **RBA Cash Rate**

The rate calculated by the Reserve Bank of Australia which it charges for overnight unsecured loans between banks settled in the Reserve Bank information and Transfer System.

### **Responsible Entity**

Equity Trustees Limited.

### **Retail Client**

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

### **RITC**

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits where applicable to reduce the cost of GST to a Fund.

### **US Person**

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

(a) any citizen of, or natural person resident in, the US, its territories or possessions; or

(b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c) any agency or branch of a foreign entity located in the US; or

(d) a pension plan primarily for US employees of a US Person; or

(e) a US collective investment vehicle unless not offered to US Persons; or

(f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

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

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

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

#### **Wholesale Client**

Person or entity which is not a Retail Client under Australian law under s761G of the Corporations Act or any other person who is not required to be given a regulated disclosure document under the Corporations Act.

#### **Wholesale Investor**

In the case of a New Zealand investor, means a Wholesale Client who also meets the definition of wholesale investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) and (unless otherwise agreed with the Responsible Entity) who invests in the Fund via a custody service providing New Zealand Foreign Investment Fund tax reporting.





**MILFORD**

# MILFORD DIVERSIFIED INCOME FUND (AU) APPLICATION FORM

**Dated: 30 August 2023**

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

- Milford Diversified Income Fund (AU)

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

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

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

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

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

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

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

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

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

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

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

## SECTION 1 – YOUR CONSUMER ATTRIBUTES

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

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

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

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

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

- Capital growth  Capital preservation
- Capital guaranteed  Income Distribution

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

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

### 4. Please select the Intended investment timeframe

- Short term (<=2 years)  Medium term (>2 years)
- Long term (>8 years)

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

- Low - I/we can tolerate up to 1 period of underperformance over 20 years  Medium - I/we can tolerate up to 4 periods of underperformance over 20 years.
- High - I/we can tolerate up to 6 periods of underperformance over 20 years  Very High - I/we can tolerate more than 6 periods of underperformance over 20 years

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

- Daily  Weekly
- Monthly  Quarterly
- Annually or longer

#### Please note:

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

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

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

- Yes**, if you can tick both of the boxes below, complete Sections 2 and 8
- I/We confirm there are no changes to our identification documents previously provided and that these remain current and valid.
- I/We confirm there have been no changes to our FATCA or CRS status

Existing investor number:

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

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

### Investor Type:

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

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

## SECTION 2 – INVESTMENT DETAILS

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

Postal address

Suburb

State

Postcode

Country

Email address

Contact no.

FUND/TRUST NAME	APIR CODE	MINIMUM INITIAL INVESTMENT AMOUNT (AUD)	APPLICATION AMOUNT (AUD)
Milford Diversified Income Fund (AU)	ETL1908AU	\$1,000	\$

### Distribution Instructions

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

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

<input type="text"/>	% reinvest
<input type="text"/>	% pay to bank

### Investor bank details

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

Financial institution name and branch location

BSB number

Account number

Account name

### Payment method

- Direct credit – pay to:

Financial institution name and branch location	National Australia Bank Limited, 105 Miller Street, North Sydney, NSW 2060
BSB number	082 401
Account number	97 935 3081
Account name	Equity Trustees Limited as RE <Milford Diversified Income Fund (AU)> Application Account
Reference	<Investor name>

Regular savings plan – please ensure you complete and sign the direct debit section below

Fund name	Regular savings plan amount (AUD)	Regular savings plan start date*
Milford Diversified Income Fund (AU)	\$	19 / /

\*Funds will be deducted on or around the 19<sup>th</sup> of each month. The minimum amount is \$100 per month.

Direct debit – complete below:

I/we request and authorise <Apex Fund Services Pty Ltd> (Direct Debit User ID 364011) to arrange, through its own financial institution, a debit to my/our nominated account any amount Equity Trustees has deemed payable by me/us. This debit or charge will be made through the Bulk Electronic Clearing System (“BECS”) from my/our account held at the financial institution I/we have nominated below and will be subject to the “Direct Debit terms and conditions” (contained in the PDS).

Financial institution name and branch location

BSB number

Account number

Account name

Acknowledgement

By signing and/or providing Equity Trustees with a valid instruction in respect to my/our direct debit request, I/we have understood and agreed to the terms and conditions governing the debit arrangements between me/us and Equity Trustees as set out in the “Direct Debit terms and conditions” (contained in the PDS).

Signature – Investor 1

Date

Signature – Investor 2

Date

If signing for a company please include full name and capacity for signing (e.g. director)

## Source of investment

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

### Send your completed Application Form to:

Apex Fund Services Pty Ltd  
 Client Services Registry Team  
 GPO Box 4968  
 Sydney NSW 2001

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

**How did you hear about Milford?**

- Newspaper/Magazine
- Online advertising
- Online research
- Radio
- Referral
- Other – please specify:

## SECTION 3 – INVESTOR DETAILS – INDIVIDUALS/JOINT

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

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

### Investor 1

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

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

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

Email address

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

Contact no.

Date of birth (DD/MM/YYYY)

 /  / 

Tax File Number\* – or exemption code

Country of birth

Occupation

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

No

Yes, please give details:

### Investor 2

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

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

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

Email address

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

Contact no.

Date of birth (DD/MM/YYYY)

 /  / 

Tax File Number\* – or exemption code

Country of birth

Occupation

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

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

No

Yes, please give details:

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

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

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

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

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

Suburb

State

Postcode

Country





Australian Company Number

Tax File Number\* – or exemption code



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

### Contact Person

Title

First name(s)

Surname




Email address

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

Contact no.



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

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

Suburb

State

Postcode

Country





### Registration details

Name of regulatory body

Identification number (e.g. ARBN)



#### Controlling Persons, Directors and Beneficial Owners

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



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

1	2
3	4

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

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

**Select:**

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

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

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

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

Date of birth (DD/MM/YYYY)

 /  / 

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

- No
- Yes, please give details:

**Select:**

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

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

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

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

Date of birth (DD/MM/YYYY)

 /  / 

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

- No
- Yes, please give details:

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

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

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

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

Full name of trust or superannuation fund

Full name of business (if any)

Country where established

Australian Business Number\* (if obtained)

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Tax File Number\* – or exemption code

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

Trustee details – How many trustees are there?

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

### Type of Trust

- Registered Managed Investment Scheme**

Australian Registered Scheme Number (ARSN)

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

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

Registration/Licence details or ABN

- Other Trust** (unregulated)

Please describe

#### Beneficiaries of an unregulated trust

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

1	2
3	4

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

**Other Trust** (unregulated) Continued

**Settlor details**

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

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

Settlor's full name and last known address


Beneficial owners of an unregulated trust

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

**All beneficial owners will need to provide Group A AML/CTF Identity Verification Requirements in Section 9**

**Beneficial owner 1 or Controlling Person 1**

Select:

- Beneficial owner 1; OR

- Controlling Person – What is the role e.g. Appointer:

Title

First name(s)

Surname




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

Suburb

State

Postcode

Country





Date of birth (DD/MM/YYYY)

 /  / 

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

- No
- Yes, please give details:

**Beneficial owner 2 or Controlling Person 2**

Select:

- Beneficial owner 2; OR

- Controlling Person – What is the role e.g. Appointer:

Title

First name(s)

Surname




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

Suburb

State

Postcode

Country





Date of birth (DD/MM/YYYY)

 /  /

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

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

No  Yes, please give details:

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

## **SECTION 5.1 – CUSTODIAN ATTESTATION: CHAPTER 4, PARTS 4.4.18 AND 4.4.19 OF THE AML/CTF RULES**

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

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

No  Yes

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

No  Yes

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

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

No  Yes

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

### **Excepting circumstances:**

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

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

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

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

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

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

Full name of authorised representative or agent

Role held with investor(s)

Signature

Date



- I am a **financial adviser** as nominated by the investor

Name of adviser

AFSL number



Dealer group

Name of advisory firm



Postage address

Suburb

State

Postcode

Country





Email address

Contact no.



### Financial Advice (only complete if applicable)

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

### Financial Adviser Declaration

- I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
- I/We hereby declare that the investor is not a US Person as defined in the PDS/IM.
- I/We have attached the relevant CIP documents;

Signature

Date

## Access to information

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

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

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

### Sub-Section I – Individuals

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

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

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

Investor 1

Investor 2


- No: continue to question 2

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

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

##### Investor 1

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

##### Investor 2

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

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

- No: skip to question 12

#### Reason Code:

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

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

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

	Reason B explanation
Investor 1	
Investor 2	

## Sub-Section II – Entities

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

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

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

## FATCA

### 4. Are you a US Person?

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

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

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

- No: indicate exemption type and skip to question 7

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

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

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

- Exempt Beneficial Owner, provide type below:

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

- Non-Participating FFI, provide type below:

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


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


- Other, provide details:

- No: continue to question 7



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

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

**Investor 1**

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

**Investor 2**

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

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

**Reason Code:**

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

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

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

	Reason B explanation
Investor 1	
Investor 2	

- No: continue to question 8

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

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

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

- No: skip to question 10

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

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

## Non-Financial Entities

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

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

## Controlling Persons

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

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

- Yes. provide controlling person information below:

#### Controlling person 1

Title	First name(s)	Surname	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Residential address (not a PO Box/RMB/Locked Bag)			
<input type="text"/>			
Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of birth (DD/MM/YYYY)	<input type="text"/>	/	<input type="text"/>
	<input type="text"/>	/	<input type="text"/>

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

**Controlling person 2**

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

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

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

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

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

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

**Reason Code:**

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

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

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

	Reason B explanation
Investor 1	
Investor 2	

No: continue to question 12

**12. Signature and Declaration – ALL investors must sign**

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

I declare the information above to be true and correct.

**Investor 1**

Name of individual/entity

Name of authorised representative

Signature

Date

**Investor 2**

Name of individual/entity

Name of authorised representative

Signature

Date

## SECTION 8 – DECLARATIONS – ALL INVESTORS MUST COMPLETE

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

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

- I/We have received the PDS and made this application in Australia (and/or New Zealand for those offers made in New Zealand).
- I/We have read the PDS to which this Application Form applies and agree to be bound by the terms and conditions of the PDS and the Constitution of the relevant Fund in which I/we have chosen to invest.
- I/we have carefully considered the features of Fund as described in the PDS (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund is consistent with my/our investment objectives, financial circumstances and needs.\*
- I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
- I/We hereby declare that I/we are not a US Person as defined in the PDS.
- I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund in which I/We have chosen to invest.
- I/We acknowledge and agree that Equity Trustees has outlined in the PDS provided to me/us how and where I/we can obtain a copy of the Equity Trustees Group Privacy Statement.
- I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of Equity Trustees or its related bodies corporate and to foreign government agencies for reporting purposes (if necessary).
- I/we hereby confirm that the personal information that I/we have provided to Equity Trustees is correct and current in every detail, and should these details change, I/we shall promptly advise Equity Trustees in writing of the change(s).
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
- If I/we have provided an email address, I/we consent to receive ongoing investor information including PDS information, confirmations of transactions and additional information as applicable via email.
- I/We acknowledge that Equity Trustees does not guarantee the repayment of capital or the performance of the Fund or any particular rate of return from the Fund.
- I/We acknowledge that an investment in the Fund is not a deposit with or liability of Equity Trustees and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- I/We acknowledge that Equity Trustees is not responsible for the delays in receipt of monies caused by the postal service or the investor's bank.
- If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
- If I/we have completed and lodged the relevant sections on authorised representatives, agents and/or financial advisers on the Application Form then I/we agree to release, discharge and indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Equity Trustees acting on the instructions of my/our authorised representatives, agents and/or financial advisers.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
  - I/we are ineligible to hold units in a Fund or have provided misleading information in my/our Application Form; or
  - I/we owe any amounts to Equity Trustees, then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund.
- **For Wholesale Clients** – I/We acknowledge that I am/we are a Wholesale Client (as defined in Section 761G of the Corporations Act 2001 (Cth)) and are therefore eligible to hold units in the Fund as follows;
  - **I/We declare that I am/we are applying for units as a wholesale client as defined in the Corporations Act 2001 (Cth) and satisfy one of the following categories (tick relevant box):**
    - 1. Investing at least \$500,000 in the Fund.
    - 2. I/We have attached a certificate dated within the preceding 6 months from a qualified accountant stating that I/We have net assets of at least \$2.5 million or gross income in the last 2 financial years of at least \$250,000 p.a.
    - 3. We are the holder of an Australian Financial Services Licence (please specify AFSL no: ).

4. We are regulated by APRA (excluding a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme as defined in the *Superannuation Industry (Supervision) Act 1993* (Cth).
5. We are a trustee of a regulated superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme, having net assets of at least \$10 million.
6. We control together with any associate or under a trust managed by the investor at least \$10 million for the purpose of investing in securities.
7. We are an Australian listed entity or related body corporate of a listed entity registered as a body under the *Financial Corporations Act 1974* (Cth) or an exempt public authority.
8. I/We are a professional manager which carries on the business of investing and invests funds following an invitation to the public which provided for funds to be invested for those purposes.
9. We are a foreign entity that if incorporated in Australia would be covered by one of the exemptions numbered 3-8 above (please specify which number):

- **For New Zealand applicants** – I/we have read the terms of the offer relating to New Zealand investors, including the New Zealand warning statement.
- **For New Zealand Wholesale Investors** – I/We acknowledge and agree that:
  - I/We have read the PDS and the “New Zealand Investors: Selling Restriction” for the Fund;
  - I am/We are a Wholesale Investor investing via a custody service and am/are therefore eligible to hold units in the Fund; and
  - I/We have not:
    - Offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund;
    - Granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and
    - Distributed and will not distribute, directly or indirectly, the PDS or any other offering materials or advertisement in relation to any offer of units in the Fund, in each case in New Zealand, other than to a person who is a Wholesale Investor; and
  - I/We will notify Equity Trustees if I/we cease to be a Wholesale Investor; and
  - I/We have separately provided a signed Wholesale Investor Certification located at the end of this Application Form.

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

\* Disregard if not applicable.

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

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

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

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

**Investor 1**

Name of individual/entity

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

Signature

Date

**Investor 2**

Name of individual/entity

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

Signature

Date

Company Seal (if applicable)

## SECTION 9 – AML/CTF IDENTITY VERIFICATION REQUIREMENTS

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

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

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

### Who can certify?

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

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

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

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

**GROUP A – Individuals/Joint**

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

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

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

<b>Column A</b>	<b>Column B</b>
<input type="checkbox"/> Australian birth certificate.	<input type="checkbox"/> A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
<input type="checkbox"/> Australian citizenship certificate.	<input type="checkbox"/> A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
<input type="checkbox"/> Pension card issued by Department of Human Services.	<input type="checkbox"/> A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).
	<input type="checkbox"/> If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school.



## GROUP B – Companies

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

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

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

For Foreign Companies, provide one of the following:

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

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

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

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

## GROUP C – Trusts

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

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

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

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

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

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

## GROUP D – Authorised Representatives and Agents

In addition to the above entity groups:

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

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

## SECTION 10 – GLOSSARY

Custodian – means a company that:

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