

# FSSA Funds Additional Information Booklet



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## IMPORTANT INFORMATION

This Additional Information Booklet (**AIB**) is issued by The Trust Company (RE Services) Limited (**the Responsible Entity**). The information in this document forms part of the Product Disclosure Statement (**PDS**) dated 1 March 2021, for the following Funds (to be referred to in this AIB collectively as the Funds or individually as a Fund).

– FSSA Asian Growth Fund, ARSN 604 604 622

– FSSA Global Emerging Markets Focus Fund,  
ARSN 610 729 005

You should read this information together with the PDS before making a decision to invest in a Fund. Certain sections in this AIB may not apply to all Funds.

The Responsible Entity consents to the use of the PDS and the AIB by investor directed portfolio services (**IDPS**), IDPS-like scheme, a nominee or custody service or any other trading platform authorised by the Responsible Entity (collectively, **Service**). The Responsible Entity may update this AIB in accordance with the constitution of the Fund (**Constitution**) and the law.

The information provided in this AIB is general information and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances. The information in the PDS for each Fund and this AIB is up to date at the time it was issued. However, some information may change from time to time. Information that is not materially adverse to investors may be updated by the Responsible Entity without notice. Updated information can be obtained from the Investment Manager's website at [www.firstsentierinvestors.com.au](http://www.firstsentierinvestors.com.au) or by contacting the operator of the relevant Service (**Service Operator**). You can request a copy of any updated information free of charge by contacting the Investment Manager. If a change is considered materially adverse, the Responsible Entity will issue a replacement PDS or AIB (as applicable).

You can request a copy of this PDS or AIB free of charge from the Investment Manager or your relevant Service Operator. You should keep a copy of this document and any updates to it for your reference.

# 1. How the Funds work

## Constitution

The operation of each Fund is governed by the relevant constitution (**Constitution**), which together with the Corporations Act 2001 (Cth) (**Corporations Act**), sets out the rights, liabilities and obligations of both unitholders and the Responsible Entity.

Copies of the Constitution for each of the Funds may be obtained free of charge by contacting the Responsible Entity.

## Compliance plan

In accordance with the Corporations Act, a compliance plan has been prepared for each Fund and lodged with ASIC. The compliance plan outlines the measures the Responsible Entity will apply in operating the Funds to ensure that each Fund is operated in compliance with the Constitution of the relevant Fund and the Corporations Act. In addition, the Responsible Entity has established a compliance committee in accordance with the Corporations Act to (amongst other things) monitor its adherence to each compliance plan and assess at regular intervals whether the compliance plan is adequate.

Furthermore, on an annual basis external audit undertakes a review of the Responsible Entity's compliance with the compliance plan.

## The Responsible Entity

The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (**Perpetual**) ABN 86 000 431 827, and a part of Perpetual Group which has been in operation for over 130 years. Perpetual is an Australian public company that has been listed on the Australian Securities Exchange for over 50 years.

## The Investment Manager

First Sentier Investors (Australia) IM Ltd ABN 89 114 194 311 AFSL 289017 (**Investment Manager**) has been appointed as the investment manager of the Funds pursuant to an investment management agreement (**IMA**), which in turn has sub-delegated portfolio management to First Sentier Investors (Hong Kong) Limited for the FSSA Asian Growth Fund and to First Sentier Investors (Singapore) for the FSSA Global Emerging Markets Focus Fund, all part of the First Sentier Investors group.

## First Sentier Investors

First Sentier Investors is a global asset management group focused on providing high quality, long-term investment capabilities to clients. It brings together teams of specialist investment managers who share its common commitment to responsible investment principles.

First Sentier Investors is a stand-alone asset management business and also home to a number of individually branded investment teams, such as Stewart Investors, FSSA Investment Managers and Realindex.

All investment teams operate with discrete investment autonomy, according to their investment philosophies. Together, the group offers a comprehensive suite of investment capabilities across global and regional equities, cash and fixed income, infrastructure and multi-asset solutions, all with a shared purpose to deliver sustainable investment success.

First Sentier Investors has been managing money with a long-term outlook for more than 30 years and today manages more than AUD\$219 billion\* of assets on behalf of institutional investors, pension funds, wholesale distributors and platforms, financial advisers and their clients.

First Sentier Investors is ultimately owned by MUFG, one of the world's largest financial services companies.

## FSSA Investment Managers

The Funds are managed by First Sentier Investors (Hong Kong) Limited, company registration 206616, Central Entity Number AAJ693 and First Sentier Investors (Singapore), company registration 196900420D, Capital Markets Services Licence CMS000134 under the brand FSSA Investment Managers (**FSSA**).

FSSA Investment Managers manage AUD\$40 billion\* on behalf of clients globally. Operating as an autonomous investment team within First Sentier Investors, FSSA Investment Managers are a team of dedicated investment professionals based in Hong Kong, Singapore, Tokyo and Edinburgh.

FSSA Investment Managers are bottom-up investors, using fundamental research and analysis to construct high-conviction portfolios. They conduct more than a thousand direct company meetings a year, seeking to identify high quality companies that they can invest in for the long term.

As responsible, long-term shareholders, they have integrated ESG analysis into their investment process and engage extensively on environmental, labour and governance issues.

Under the IMA, the Investment Manager agrees to provide investment management services with respect to the Funds in accordance with the investment strategies set out in PDS.

The Responsible Entity is able to terminate the Investment Manager's appointment under the IMA in certain circumstances without penalty, including but not limited to:

- where the Investment Manager enters into receivership, liquidation, is placed under official management or an administrator is appointed to its affairs or ceases to conduct business;
- where the Investment Manager, in a material respect, is in breach or fails to observe or perform any duty, obligation, representation, warranty or undertaking under the IMA and fails to rectify such breach or failure within a reasonable period specified by to the Responsible Entity; and
- where the Responsible Entity has obtained independent external legal advice and considers it reasonably necessary to do so to ensure compliance with its duties and obligations under relevant law, the constitution or by any court of competent jurisdiction.

## The Custodian and the Administrator

The Responsible Entity has appointed State Street Australia Limited (**State Street, Custodian and Administrator**) as the custodian and the administrator of the Funds.

In its role as the custodian, State Street will hold assets of each Fund and in providing administration services it will undertake functions including portfolio valuation, arranging for the issue and withdrawal of units, investment accounting and unitholder registry for each Fund.

## Making an additional application

You can add to your investment at any time by sending the Administrator your written instructions and making the relevant payment for your additional investment. No minimum additional investment amount applies.

\*as at 30 September 2020

The cut-off time for receipt of applications requests by the Administrator is 2pm on any Sydney business day and the transactions will be processed using unit price next calculated after the cut-off time for that business day. Requests received after the cut-off time on a Sydney business day will generally be treated as having been received before the cut-off time on the next Sydney business day.

For indirect investors, you must complete the documentation which your Service Operator requires.

### About your application money

Application money will be held in a non-interest bearing bank account until invested in the relevant Fund or returned to you. Once your completed application form is received and accepted, the monies held will be divided by the next determined unit price to calculate the number of units in the Fund allocated to you.

### Payment options

For applications made through a Service Operator, the payment options will depend on the requirements of the relevant Service Operator.

For applications lodged directly with the Administrator, please refer to the application form for payment options.

### Incomplete or rejected applications

The Responsible Entity accepts no responsibility for applications that have been sent to an incorrect address or for funds that are paid to an incorrect account. You (or your Service Operator) are responsible for ensuring that the application form is completed correctly and contains the correct contact details. Your application may be delayed or not processed if you: do not provide the information requested; provide incomplete or inaccurate information; or send your application to an incorrect address.

The Responsible Entity will not be liable to any prospective investor for any losses incurred, including from market movements, if an application is rejected or the processing of an application is delayed.

### Transferring your units

You can generally transfer some or all of your investment to another person in such a manner and subject to such conditions as required by law and that the Responsible Entity, from time to time, prescribes. The Responsible Entity is not obliged to register a transfer that does not meet these criteria.

The Responsible Entity recommends that you obtain your own professional advice regarding your position before transferring some or all of your investment, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary. Please contact the Responsible Entity for further information about transferring units.

For indirect investors, you should contact your Service Operator if you wish to transfer your units.

### Restrictions on withdrawals

You are able to withdraw from the Fund by sending a written withdrawal request to the Administrator (in the form advised from time to time) or your Service Operator.

Under the Constitutions for the Funds there are certain restrictions in relation to a unitholder's right to withdraw from the Funds.

If a Fund is not liquid under the Corporations Act, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such an

offer. However, if the Responsible Entity does make such an offer, you are only able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, the requests will be satisfied proportionately amongst those investors wishing to withdraw from the Fund. Under the Corporations Act, a Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets generally include money in an account or on deposit with a bank, bank-accepted bills, marketable securities and property of the kind prescribed under the Corporations Act.

The Responsible Entity may suspend withdrawals for up to 28 days where:

- the Responsible Entity reasonably considers that it is in the interest of the unit holders;
- it is not practicable for the Responsible Entity to value the unit price, for example because any relevant financial, stock, bond, note, derivative or foreign exchange market (including the ASX) is closed or trading on any such market is restricted in any way; or
- the Responsible Entity reasonably estimates that it must sell 5% or more (by value) of all trust property to meet current unmet redemption requests.

A withdrawal request lodged during a period of suspension will be deemed to have been received immediately after the period of suspension and withdrawing investors will receive the next calculated unit price.

### Reporting and continuous disclosure

The Funds will, as applicable, be subject to certain reporting and ongoing disclosure obligations. Unitholders will receive copies of the following reports with respect to their unitholdings:

- transaction confirmation for their initial investment and all subsequent transactions;
- periodic transaction statements;
- attribution managed investment trust member annual statement (**Amma Statement**);
- annual tax statement; and
- attribution managed investment trust (**AMIT**) distribution statement.

In addition, copies of the following will be available for each of the Funds on the Investment Manager's website, by contacting the Responsible Entity or may be obtained from, or inspected at, an ASIC office (as applicable):

- the annual financial reports most recently lodged with ASIC;
- any half-yearly financial reports lodged with ASIC after the lodgement of the aforementioned annual report;
- Subdivision 12-H deemed payment notices (dividend, interest and royalty payment / fund payment notices);
- any continuous disclosure notices given by the Fund after the date of lodgement of the aforementioned annual report; and
- any ongoing disclosure of material changes and significant events.

Unit holders investing via a Service will receive fund information and reporting from their Service Operator and unit holders investing directly will receive reporting and fund information directly from the Investment Manager.

## 2. Risks of managed investment schemes

All investments carry risks and it is important to consider them before investing into a Fund. The following include significant risks that may affect your investment in a Fund as well as general risks that apply to an investment in a managed investment scheme:

### Company risk

An investment into equities or corporate bonds is exposed to risks due to changes in that company or its business environment. Changes to operations and/or management, distribution, legal involvement of the company and profit and loss announcements may affect the value of a Fund's security/bond and subsequently the value of that Fund.

### Counterparty risk

Risk that the counterparties to a contract fail to meet their contractual obligations which may result in the investment activities of a Fund being adversely affected.

### Currency risk

For investments in international assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value. For example, if the Australian dollar rises, the value of international investments expressed in Australian dollars can fall.

### Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of a Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity or other service providers.

### Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. While the use of derivatives offers the opportunity for higher gains, it can also magnify losses to a Fund. Risks associated with the use of derivatives include that the value of a derivative may fall as a result of an adverse movement in the underlying asset or index, a Fund not being able to meet payment obligations as they arise and the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations.

### Emerging markets risk

Investing in emerging markets may involve a higher risk than investing in more developed markets. Emerging market securities may present market, credit, currency, liquidity, legal, political and other risks different from, and potentially greater than, the risks of investing in developed market countries.

As a result, investment returns from emerging market securities are usually more volatile than those from developed markets.

This means that there may be large movements in the unit prices over short or long periods of time.

### Equities risk

Equity performance can be volatile and changes in global economic conditions (e.g. growth and inflation), interest rates and bond yields could impact performance.

### Fund risk

Fund risk refers to specific risks associated with a Fund and include:

- the change of the investment team, which may affect the Fund's future performance;
- the termination of the Fund;
- investment in a Fund may result in a different outcome to investing directly in the assets of that Fund;
- the costs of your investment may increase through an increase of fees and costs; and
- closing that Fund to further investments if, for example, the Responsible Entity considers it appropriate given the investment objective and investment strategy of that Fund.

As a result of these risks, the value of the investment in a Fund and level of distributions may change.

### Investments Sanctions Risk

Regulations, restrictions and sanctions may be imposed by governments or international bodies (such as the United Nations) or their agencies which impact investments held by the Fund. Limits may be imposed on the amount and type of assets that may be purchased by the Fund or the sale and timing of sale of such assets once purchased or the identity of permissible counterparties. Limits may also be imposed on potential purchasers of assets held by the Fund, thereby preventing certain purchasers and counterparties from transacting in those assets, limiting the liquidity of those assets and/or otherwise affecting the market price that is available for those assets.

### Liquidity risk

Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Assets such as shares in large listed companies are generally considered liquid, while 'real' assets such as direct property and infrastructure are generally considered illiquid. Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting the Investment Manager's ability to sell them and to make withdrawal payments or process switches for investors without a potentially significant delay.

### Market risk

Investment returns are influenced by the performance of the markets as a whole. Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility.

### Operational risk

A Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters.

### Regulatory and tax risk

Governments or regulators may pass laws, make changes to taxation laws, create policy or implement an existing policy that may affect a Fund as a whole or individual securities or the Investment Manager's ability to execute strategies. This may affect either a particular transaction or market, and may be either country specific or global. Such changes may result in a Fund failing to achieve its investment objectives.



## Security and investment-specific risk

Within each asset class and each Fund, individual securities like mortgages, shares, fixed interest securities or hybrid securities can be affected by risks that are specific to that investment or that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also affect the company's ability to repay its debt.

### Conflicts of interest

First Sentier Investors may be the investment manager of other funds not described in this PDS and entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. First Sentier Investors and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid the conflict.

## 3. How we invest your money

### Risk level

Each Fund is assigned a risk level which aims to assist the investors to compare funds in the context of the likely number of negative annual returns expected over any 20 year period. This measure, known as Standard Risk Measure (SRM), is based on Australian Prudential Regulation Authority guidance. The table below outlines the different levels of risk as defined by SRM. The risk level is not a complete assessment of all forms of investment risks, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than the return an investor may require to meet their objectives. Further, it does not take into account the impact of fees and tax on the likelihood of a negative return.

The SRM for the Funds is:

- FSSA Asian Growth Fund - 7
- FSSA Global Emerging Markets Focus Fund - 7

Investors should ensure that they are comfortable with the risks and potential losses associated with their chosen Fund(s).

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

## Labour standards or environmental, social or ethical considerations

The Responsible Entity does not itself take into account labour standards and environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments but has delegated investment management decisions for the Funds to the Investment Manager pursuant to the IMA.

The Investment Manager is part of First Sentier Investors who is a market leading responsible investor<sup>1</sup>. The Investment Manager takes an integrated and holistic approach to embedding Responsible Investment (RI) principles in its investment processes and business practices.

This approach is focused on three pillars of activity: investment quality, stewardship, and employee engagement, learning and development – all overseen and informed by a strong governance framework. Each year the Investment Manager publishes a responsible investment and stewardship report which outlines its progress in these areas and profiles each of the investment team's approaches to responsible investment. You can obtain a copy of this report on the Investment Manager's website.

<sup>1</sup> As at 2020, the United Nations Principles for Responsible Investment (PRI) rated First Sentier Investors 'A+' in 7 of 8 categories and 'A' in the 8th category

## 4. Fees and 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 Funds 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.

FSSA Asian Growth Fund and FSSA Global Emerging Markets Focus Fund		
Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund<sup>1</sup></b>		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee: The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>2,4</sup></b>		
The fees and costs for managing your investment	<b>The total management costs<sup>4</sup> of each Fund are as follows:</b>	The management costs are a percentage of the net asset value ( <b>NAV</b> ) of the Fund.
	0.99% - FSSA Asian Growth Fund	
	0.96% - FSSA Global Emerging Markets Focus Fund	
	<b>1. Management fee<sup>3</sup></b>	The management fee component is a percentage of the NAV of the Fund. The management fee is calculated and accrued daily and paid monthly in arrears from the relevant Fund's assets within 30 days.
	0.99% - FSSA Asian Growth Fund	
	0.96% - FSSA Global Emerging Markets Focus Fund	
	<b>2. Recoverable expenses</b>	The expense recoveries component is a percentage of the NAV of the Fund. Please refer to 'Recoverable expenses' in the 'Additional explanation of fees and costs' section.
	0.00% - FSSA Asian Growth Fund	
	0.00% - FSSA Global Emerging Markets Focus Fund	
	<b>3. Indirect costs</b>	The indirect costs component is a percentage of the NAV of the Fund. Indirect costs are deducted from the assets of the relevant Fund. Please refer to 'Indirect costs' in the 'Additional explanation of fees and costs' section.
	0.00% - FSSA Asian Growth Fund	
	0.00% - FSSA Global Emerging Markets Focus Fund	
Service fees	Nil	Nil
Switching fee: The fee for changing investment options	Nil	Not applicable

<sup>1</sup> An allowance for transaction costs may apply to investments into, and withdrawals from, the Fund (refer to 'Buy/sell spreads' below in the Additional Explanation of Fees and Costs)

<sup>2</sup> Unless otherwise stated, all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and net of any input tax credits (ITCs) or reduced input tax credits (RITCs) as applicable.

<sup>3</sup> For certain Wholesale Clients (as defined in the Corporations Act) the Responsible Entity may, at its discretion, negotiate, rebate or waive all or part of its fees. Please refer to 'Differential fees' in the 'Additional explanation of fees and costs' section below.

<sup>4</sup> All estimates of fees in this section are based on information available as at the date of this PDS.

## Additional explanation of fees and costs

### Management costs

The total management costs for each Fund comprises of:

- Management fees;
- Recoverable expenses; and
- Indirect costs.

The amounts shown in the table above include all management fees, estimated recoverable expenses and estimated indirect costs as at the date of the PDS. The management costs do not include the transactional and operational cost (i.e. buy/sell spreads) of the Funds.

Any updates from time to time, which are not materially adverse will be available on the Investment Manager's website.

### Management fee

The Responsible Entity receives a management fee for managing the assets in the Fund and overseeing the day-to-day operations of the Fund. Any fees charged by an investment manager will be paid by the Responsible Entity out of its management fee and will not be an extra cost to you or the Fund. Management fees are accrued daily and reflected in the unit price. The management fee is paid to the Responsible Entity monthly in accordance with each Fund's Constitution.

### Differential fees

The Responsible Entity may negotiate, rebate or waive all or part of its management fee with 'wholesale clients' (as defined by the Corporations Act). The payment and terms of rebates are negotiated with wholesale clients but are ultimately at the Responsible Entity's discretion, subject to the Corporations Act and ASIC policy.

Such negotiations are undertaken on a case-by-case basis and only for wholesale clients. The Responsible Entity does not negotiate fees with retail investors or individual Platform investors. Please contact (02) 9010 5200 for more information.

### Recoverable expenses

The Responsible Entity is entitled to charge to the Funds or be reimbursed from the assets of the Funds for any expenses incurred in the proper performance of its duties and obligations relating to the administration or management of the relevant Fund.

The management costs set out in the table above include recoverable expenses of 0.00% p.a. of the NAV for each Fund. At the date of this PDS, the Responsible Entity pays these recoverable expenses out of the management fee. However, if we decide to deduct expenses in addition to the management fee in the future, we will give you 30 days' written notice.

### Normal operating expenses

Normal operating expenses are those costs that are incurred in the day-to-day administration of the Funds and include (but are not limited to), fees and expenses in connection with the marketing, administration and management of the Funds, costs of preparing and distributing reports and distribution statements to unitholders and the administration and management of assets of the Funds. The Constitution does not place any limit on the amount of expenses incurred in relation to the proper performance of the Responsible Entity's duties. Normal operating expenses incurred in managing each Fund will be deducted from the management fee of that Fund.

### Abnormal operating expenses

Abnormal costs are due to abnormal events such as unitholder meetings, changes to the Constitution or defending or pursuing legal proceedings. Where such events do occur, the Responsible Entity may at its discretion determine to recover these expenses from the relevant Fund. If the expenses are recovered, they will be paid from the relevant Fund's assets when the expenses are incurred.

### Indirect costs

Indirect costs include any amount not charged as a fee that reduces (directly or indirectly) the income of or property of the Funds, or the amount or value of the income of, or property attributable to each Fund, or an underlying fund in which each Fund invests. These indirect costs are reflected in the unit price of the relevant Fund and may include:

- indirect management fees (in underlying funds); and
- other indirect costs which may incur if the Fund invests in certain types of over-the-counter derivative financial products.

Trade activity in these types of instruments may give rise to other indirect costs.

The management costs set out in the table above include indirect costs of 0.00% p.a. of the NAV for each Fund, which is an amount the Responsible Entity reasonably estimates will apply for the current financial year.

### Transactional and operational costs

Transactional and operational costs are generally incurred when the assets in a Fund are changed or a Fund experiences cash flow into or out of the Fund and are not included in the management costs. They include costs such as brokerage, buy-sell spread, settlement costs, clearing costs and applicable stamp duty. Transactional and operational costs are not paid directly by the transacting investor to the Responsible Entity, but are reflected in the unit price and are additional cost to the investor. Transactional and operational costs that are incurred as a result of applications and redemptions are recovered from the transacting investor in form of a buy/sell spread.

### Buy/Sell spread

A buy/sell spread may be applied to applications/redemptions and reflected in each Fund's entry and exit unit price. This aims to ensure that other investors aren't impacted by the transaction costs associated with a particular investor buying or selling units in a Fund. Where the Responsible Entity charges a buy/sell spread it has the discretion to waive the buy/sell spread on applications or withdrawals where no transaction costs are incurred. The buy/sell spread will impact the return on your investment and is an additional cost to you however as it is built into each Fund's unit prices, it won't be recorded separately on investor statements. The buy/sell spread is not paid to the Responsible Entity as it is retained in the relevant Fund to recover actual expenses occurred in the buying or selling of assets.



The current buy/sell spread for each Fund is as follows:

Fund	Buy/sell spread %
FSSA Global Emerging Markets Focus Fund	0.15 / 0.15
FSSA Asian Growth Fund	0.25 / 0.25

Estimated transactional and operational costs, which are used to determine the buy/sell spreads, are reviewed regularly. The buy/sell spreads are current as at the issue date of this PDS however they may increase or decrease during the life of this PDS. Any updates from time to time will be available on the Investment Manager's website.

The estimated total transactional and operational costs and the estimated net transactional and operational costs that will apply for the current financial year for each Fund will be:

Fund	Estimated total transactional and operational costs p.a.	Estimated recovery amount p.a.	Estimated net transactional and operational costs p.a.
FSSA Global Emerging Markets Focus Fund	0.36%	0.27%	0.09%
FSSA Asian Growth Fund	0.35%	0.10%	0.25%

## Maximum fees and charges

The maximum fees for each Fund under the relevant Constitution are set out in the table below.

Fund	Maximum Management Fee (% of Gross Asset Value) <sup>1</sup>
FSSA Global Emerging Markets Focus Fund	3.00%
FSSA Asian Growth Fund	3.00%

<sup>1</sup> Exclusive of GST

## Increases or alterations to fees and costs

The Responsible Entity may change the fees and costs set out in the 'Fees and costs' section of the relevant PDS and AIB for the Funds up to the maximum amounts but will not increase its fees, without giving investors at least 30-days written notice.

## Distribution fees

Subject to law, the Responsible Entity may make non-volume based product access payments to Service Operators who distribute a Fund on their investment menu. Where allowable by law, the Responsible Entity may also make payments to Service Operators and dealer groups for their marketing support. If these payments are made, they are made by the Responsible Entity and they are not an additional cost to you.

## 5. How managed investment schemes are taxed

The purpose of the summary in this section 5 is to explain, in general terms, some of the Australian tax consequences of investing in a Fund. It does not consider the specific circumstances of a unitholder that may invest in a Fund and should not be used as the basis upon which a potential unitholder decides whether or not to invest in the Fund.

The taxation implications of investing in a Fund are particular to a unitholder's circumstances. A prospective investor should seek professional taxation advice before investing, or dealing with their investment, in a Fund. Nothing contained in this AIB should be construed as the giving of, or be relied upon, as tax advice.

## Goods and Services Tax (GST)

No GST should be payable in relation to the acquisition, disposal, withdrawal or transfer of units in a Fund, nor any distributions made in respect of the units held by a unitholder in a Fund.

However, GST will likely apply to fees and any reimbursement of costs charged to a Fund. Where a Fund is registered for GST, it should be entitled to claim input tax credits (ITCs) or reduced input tax credits (RITCs) (being 55% or 75% of the GST paid) depending on the type of fee or cost.

Unless otherwise stated, all fees and costs are quoted inclusive of GST and net of any ITCs or RITCs as applicable.

## Attribution Managed Investment Trusts

The Attribution Managed Investment Trust (AMIT) regime, in broad terms, applies to a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

The Responsible Entity intends to make the election for each Fund to operate as an AMIT. Accordingly, provided that the Fund continues to satisfy the requirements to be an AMIT and the unitholders of a Fund are attributed all of the determined trust components of that Fund, the Responsible Entity should not, itself, be subject to Australian tax.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Funds. The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through a MIT to its unitholders. Australian resident investors, would therefore be taxed on the tax components of a Fund that are attributed to them each year. Non-resident investors may have tax withheld from distributions by the Responsible Entity of the relevant Fund. The rate of withholding will depend on the type of income distributed and the country of residence of a unitholder;
- the ability to carry forward certain understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;

- certain upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

### Disposal of units in a Fund

The transfer or withdrawal (i.e., redemption) of a unit in a Fund is a taxable event for CGT purposes. To the extent that the proceeds on disposal or redemption exceed the cost base of the unit, the unitholder will make a capital gain. However, if the proceeds on disposal or redemption are less than the unitholder's reduced cost base, the unitholder will make a capital loss.

For CGT purposes, the unitholder's cost base and reduced cost base in the units should be equal to the amount paid to acquire those units, together with any incidental costs, adjusted for any cost base adjustments under the AMIT regime.

If an Australian resident unitholder has held the unit for at least 12 months (excluding the acquisition and disposal dates), then the unitholder may be entitled to a 50% CGT discount (where the unitholder is an individual or trust) or a 33⅓% CGT discount (where the unitholder is a complying superannuation entity or life insurance company). The CGT discount does not apply to a unitholder that is a company.

A non-Australian resident unitholder should not be subject to Australian income tax on any capital gains realised on the disposal or redemption of units in a Fund where those units are not taxable Australian property (e.g., taxable Australian property includes relevant interests in Australian real property).

If a non-Australian resident unitholder disposes of their interests in the Fund, the non-resident CGT withholding tax regime may apply to the disposal. This would depend on the particular circumstances of the unitholder and their investment in the relevant Fund, and unitholders should seek their own advice in relation to the application of these provisions.

### Tax file numbers / Australian Business Numbers

The Responsible Entity of a Fund has an obligation to withhold tax on distributions to unitholders that have not provided a Tax File Number, Australian Business Number or proof of a relevant exemption.

### Australian Tax Reform

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

### US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules, together with Australian implementing rules, require 'Financial Institutions' such as the Funds to report information regarding certain accounts (which may include your units in the Funds) to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service.

To comply with these obligations, the Responsible Entity will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and, if required, provide information to the ATO in respect of your investment in the Funds.

If you do not provide this information the Administrator will not be able to process your application. Existing investors may be required to provide certain information on request. FATCA also imposes a withholding in certain circumstances.

### Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standard for the Automatic Exchange of Financial Account Information (CRS). CRS, like the FATCA regime, requires banks and other financial institutions to report information regarding certain accounts to the ATO and follow related due diligence procedures.

The Funds are 'Financial Institutions' under the CRS and each Fund intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For each Fund to comply with its obligations, the Administrator will request that you provide certain information and certifications. Existing investors may be required to provide certain information on request. The Administrator will determine whether the relevant Fund is required to report your details to the ATO based on their assessment of the relevant information received.

The ATO may provide this information to other jurisdictions that have signed a relevant "CRS Competent Authority Agreement", that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## 6. Other information

### Cooling-off period

No cooling-off rights apply if you are a wholesale client, sophisticated investor or investing via a Service.

If you are a retail investor, you are entitled to a 14 day cooling off period for the initial investment in the Fund. If you decide that your initial investment in the Fund does not suit your needs for any reason, you can request in writing to have your investment cancelled within 14 days starting from the time when you receive confirmation of your investment or the end of the 5th day after your units are issued, whichever is earlier. The amount we refund will be the original amount invested, adjusted to take into account any increase or decrease in the value of your investment, any tax or duty that may have been payable and reasonable administrative and transaction costs. You will not be able to exercise any cooling off rights once you have exercised any right or power in respect of your investment in the Fund.

### Privacy

The Responsible Entity may collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide the Responsible Entity with your relevant personal information, it will not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to the Responsible Entity's handling of personal information and it will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;

- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how the Responsible Entity will deal with such a complaint;
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for it to specify those countries.

The Responsible Entity's privacy policy is publicly available at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Responsible Entity.

The Investment Manager's Privacy Policy is available at [www.firstsentierinvestors.com.au](http://www.firstsentierinvestors.com.au).

If you are investing indirectly through a Service Operator, the Responsible Entity does not collect or hold your personal information in connection with your investment in the Fund. Please contact your Service Operator for more information about their privacy policy.

### Anti-Money Laundering and Counter Terrorism Financing (AML Act)

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, the Responsible Entity is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if it considers it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

The Responsible Entity and the Administrator as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you because of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented several measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML Requirements as they apply to the relevant Fund; and
- the Responsible Entity or the Administrator may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer because of their compliance with the AML Requirements.

### Consents

The Investment Manager, First Sentier Investors (Hong Kong) Limited, First Sentier Investors (Singapore) and State Street have given consent, which has not been withdrawn at the date of the PDS and AIB, to being named in the form and context in which they are named and the statements about them in the form and context they appear in the relevant PDS and AIB.