

# Ausbil Global Resources Fund

## Important Notice to Unitholders

30 September 2024

### Ausbil Global Resources Fund (ARSN 623 619 590, APIR AAP5928AU) (Fund)

This Notice to Unitholders updates the Product Disclosure Statement (**PDS**) issued by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Responsible Entity, Ausbil, Ausbil Investment Management, we**), as responsible entity of the Fund, and dated 27 November 2023.

In particular, this notice updates the Fund's fees and costs disclosure in the PDS, amongst other things.

Please review this notice alongside the PDS and the Target Market Determination (**TMD**), as well as any updates to these documents and information incorporated by reference. You can access this notice, the PDS, the TMD and other related information online at [www.ausbil.com.au/invest-with-us/fund-pds-forms](http://www.ausbil.com.au/invest-with-us/fund-pds-forms).

It is crucial that you read and understand the details provided in this notice.

The information in this document is provided by Ausbil Investment Management Limited (ABN 26 076 316 473, AFSL 229722) (Ausbil) the responsible entity and issuer of interests in the Fund. The information contained in this document has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Each person should obtain a current PDS and target market determination (if applicable) relating to the product and consider the documents before making any decision about the product.

## Section 4. How the Ausbil Global Resources Fund works, on page 11 of the PDS

From 30 September 2024, replace the heading and wording below the 'Instructions by email and fax' heading with the following:

### Instructions by email

None of the Responsible Entity nor its duly appointed agents, including the Custodian and Administrator accepts any responsibility or liability for any loss caused as a result of fraud or errors in or non-receipt or illegibility of, any emailed communication or for any loss caused in respect of any action taken as a consequence of emailed instructions believed in good faith to have originated from properly authorised persons.

## Section 8. Fees and other costs, on pages 26 and 27 of the PDS

From 30 September 2024, replace the 'Fees and costs summary' with the following:

### Fees and costs summary

Ausbil Global Resources Fund		
Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b>		
The fees and costs for managing your investment	1.35% pa of the NAV of the Fund <sup>2,3</sup>	Calculated and accrued daily and paid monthly in arrears out of the assets of the Fund, generally around 15 business days after the end of the month.
<b>Performance fees</b>		
Amounts deducted from your investment in relation to the performance of the product	4.43% pa of the NAV of the Fund <sup>2,4</sup>	20.5% of the difference between the Fund's daily gross return and the return of the Bloomberg AusBond Bank Bill Index, plus a hurdle of 2.00% pa. Calculated and accrued daily and paid out of the assets of the Fund, generally around 15 business days after the end of the month.
<b>Transaction costs</b>		
The costs incurred by the scheme when buying or selling assets	1.17% pa of the NAV of the Fund <sup>5</sup>	Transaction costs generally arise as a result of applications & redemptions and when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and deducted from the assets of the Fund as and when incurred.

**Member activity related fees and costs (fees for services or when your money moved in or out of the scheme)**

**Establishment fee**

The fee to open your investment	Nil	Not applicable
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**Contribution fee**

The fee on each amount contributed to your investment	Nil	Not applicable
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**Buy-sell spread**

An amount deducted from your investment representing costs incurred in transactions by the scheme	0.30% of the application amount 0.30% of the withdrawal amount	The buy-sell spread represents estimated transaction costs and is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively to the time of the relevant application or withdrawal.
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**Withdrawal fee**

The fee on each amount you take out of your investment	Nil	Not applicable
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**Exit fee**

The fee to close your investment	Nil	Not applicable
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**Switching fee**

The fee for changing investment options	Nil	Not applicable
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1. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of ITCs or RITCs that are expected to be available to the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred.

2. For certain wholesale clients (as defined in the Corporations Act), Ausbil may, at its discretion and in accordance with ASIC policy and the Corporations Act, negotiate, rebate or waive all or part of Ausbil's fees. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

3. The management fees and costs shown are based on the fees which currently apply and on the costs for the financial year ending 30 June 2024. Please refer to the 'Additional explanation of fees and costs' in this PDS for detailed information on the components and amounts of the management fees and costs.

4. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2024. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. The Fund's performance fee for the 5 years to 30 June 2024 has ranged from 0.00% to 13.83% pa

5. The transaction costs disclosed in this 'Fees and costs summary' are estimated amounts and are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

## Section 8. Fees and other costs, on page 27 of the PDS

From 30 September 2024, replace the 'Example of annual fees and costs for the Fund' with the following:

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

This table gives an example of how the ongoing annual fees and costs for the Fund 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 - AUSBIL GLOBAL RESOURCES FUND</b>		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR<sup>1</sup></b>
Contribution Fees	Nil	For every additional \$5,000 you put in you will be charged <b>\$0</b> .
<b>PLUS</b> Management fees and costs	1.35% pa	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$675</b> each year.
<b>PLUS</b> Performance fees <sup>2</sup>	4.43% pa	<b>And</b> , you will be charged or have deducted from your investment <b>\$2,215</b> in performance fees each year.
<b>PLUS</b> Transaction costs <sup>3</sup>	1.17% pa	<b>And</b> , you will be charged or have deducted from your investment <b>\$585</b> in transaction costs.
<b>EQUALS</b> Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of <b>\$3,475<sup>1,4</sup></b> . <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

1. Assumes that the \$5,000 contribution is made at the end of the year and that that the value of the investment is constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.

2. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2024. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. The Fund's performance fee for the 5 years to 30 June 2024 has ranged from 0.00% to 13.83% pa.

3. The transaction costs shown are an estimate of the typical transaction costs, are based on the transaction costs for the financial year ending 30 June 2024 and are net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details

4. Additional fees may apply. A buy-sell spread may apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details

## Section 8. Fees and other costs, on page 30 of the PDS

From 30 September 2024, replace the text under the 'Worked dollar example' table in the 'Performance fees' section with the following:

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be.

The performance fee figure disclosed as a separate line item in the 'Fees and costs summary' in this PDS includes the estimated performance fees 4.43% pa of the NAV of the Fund, which is based on an average of the Fund's performance fee for the 5 years to 30 June 2024.

## Section 8. Fees and other costs, on page 30 of the PDS

From 30 September 2024, replace the wording and table directly below the 'Transactions costs' heading with the following:

Transaction costs are the costs incurred when assets are bought or sold by the Fund, such as brokerage, settlement costs and clearing costs. Transaction costs are reflected in the Fund's unit price. As these costs are factored into the value of the Fund's assets and reflected in the unit price, they are an additional cost to you (where they are not recovered by the buy-sell spread). Please note that the transaction costs shown in the 'Fees and costs summary' are shown net of any amount recovered by the buy-sell spread charged by the Responsible Entity. The Fund's estimated transaction costs are set out in the table below.

The figures are calculated as a percentage of the Fund NAV estimated based on the financial year ending 30 June 2024.

<b>Fund</b>	<b>Total transaction costs</b>	<b>Minus: buy-sell spread recovery</b>	<b>Equals: net transaction costs</b>	<b>Value of net transaction costs on an average account balanced of \$50,000 invested in the Fund</b>
Ausbil Global Resources Fund	1.52%	0.35%	1.17%	\$585

The Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future.

## Where can I find out more information?

For updated information about the Fund, please contact your financial adviser, visit our website [www.ausbil.com.au](http://www.ausbil.com.au) or call our Client Services team on 1800 287 245 (toll free) or +61 2 9259 0200, during Sydney business hours. We will also send you a copy of the updated information free of charge upon request. If a change is considered materially adverse we will issue a supplementary PDS or a replacement PDS and AIG (if applicable).

Ausbil Investment Management Limited  
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Sydney NSW 2000 Australia

# Ausbil Global Resources Fund

ARSN: 623 619 590  
APIR: AAP5928AU  
mFund: AXW10

Product Disclosure Statement dated 27 November 2023



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# Important information

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## Important information

This Product Disclosure Statement (**PDS**) is issued by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Responsible Entity, Ausbil, Ausbil Investment Management, we, us, our**), as responsible entity of the Ausbil Global Resources Fund (ARSN 623 619 590) (**Fund**). This PDS provides significant information about the Fund. You should consider this PDS before making a decision about the Fund. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances. In addition you should read the Target Market Determination (**TMD**) in conjunction with the PDS to ensure the Fund aligns with your objectives, financial situation and needs.

The information in this PDS is current as at the issue date but may change from time to time. Where information that changes is not materially adverse to unitholders, we will update this information by publishing changes on [www.ausbil.com.au](http://www.ausbil.com.au). We will notify you if there is a materially adverse change to the information contained in this PDS. This PDS does not constitute an offer in any jurisdiction other than Australia or to anyone to whom it would not be lawful to make such an offer. For the purposes of this PDS a 'Business Day' means any day other than a Saturday, Sunday or public holiday on which the banks in Sydney are generally open for business and all times are Sydney Time. All figures in this PDS are quoted in Australian dollars and are current at the date of this PDS. A paper copy of this PDS and any updated information will be provided free of charge on request by contacting the Responsible Entity.

Under ASIC Regulatory Guide 240: Hedge Funds: Improving disclosure, the Fund is considered a 'hedge fund'. To comply with the requirements of this Regulatory Guide, details regarding the Fund's compliance with the Benchmark and Disclosure Principles are contained in section 3 of this PDS.

If you are a direct investor, all correspondence pertaining to your investment will be issued by us. If you have any queries regarding your investment you should contact us. If you are investing through an investor directed portfolio service (**IDPS**) or IDPS-like scheme (**Indirect Investors**), you should generally contact your IDPS operator with any query.

Neither we, nor any of Ausbil's related entities, guarantee the performance of the Fund, the repayment of capital, any particular rate of return or any particular taxation consequence of investing. Past performance is not a reliable indicator of future performance. Investment in the Fund is not a bank deposit or an investment in or other liability of Ausbil. No assurance is given that the Fund's projected asset allocations or stated objectives will be achieved or maintained at the levels disclosed in this PDS.



# 1. About Ausbil Investment Management

Ausbil, the Responsible Entity of the Fund, was established in April 1997 and is responsible for the administration, operation and management of the Fund and setting the Fund's investment policy and objectives. As Responsible Entity, Ausbil manages the investments of the Fund.

Ausbil manages Australian and international securities for major superannuation funds, institutional investors, master trust and retail clients as well as being the responsible entity of several registered managed investment schemes. Ausbil is owned by its employees and indirectly by New York Life Investment Management Holdings LLC (**New York Life Investments**), a wholly owned subsidiary of New York Life Insurance Company.

New York Life Investments, through its multi-boutique investment structure, has a number of boutique affiliates including MacKay Shields, Candriam and Apogem Capital.

The Responsible Entity has the power to delegate certain duties in accordance with the Corporations Act 2001 (**Cth**) (**Corporations Act**) and the constitution of the Fund (**Constitution**).

The Responsible Entity has appointed service providers to manage the Fund. For example, the Responsible Entity has appointed a Prime Broker, who provides execution, stock lending, margin loans and derivative exposure services, a Custodian and Cash Custodian, who are responsible for the safekeeping of the Fund's assets, an Investment Administrator, who calculates unit prices and fees, and an Administrator, to manage the registry of unitholders. Subject to the relevant agreements, the Responsible Entity, at its discretion, may change these service providers from time to time and may not notify unitholders unless otherwise required by law. Both the Custodian or Cash Custodian have no independent discretion with respect to the holding of assets, have no supervisory role in relation to the Fund and are subject to performance standards. Please refer to page 23 for more information about the Fund's key service providers.

## 2. Key features of the Ausbil Global Resources Fund


This section sets out the key information regarding investing in the Fund and refers to the sections of this PDS where you can find further information.

	Summary	Further information
<b>Name of the Fund</b>	Ausbil Global Resources Fund	
<b>ARSN</b>	623 619 590	
<b>APIR</b>	AAP5928AU	
<b>Investment objective</b>	The Fund aims to provide positive absolute investment returns over the long term in both rising and falling commodity markets, by employing a long/short approach to global natural resources equity markets. There is no guarantee that this objective will be achieved.	Section 7
<b>Benchmark</b>	Bloomberg AusBond Bank Bill Index	Section 7
<b>Investment strategy</b>	<p>The Fund utilises both top down commodity and macro analysis, combined with bottom up stock analysis and a disciplined risk management process, with the aim of producing consistent and risk controlled outperformance through the economic cycle.</p> <p>The Fund aims to capitalise on the volatility within the natural resources sector over the long term, ie through the economic cycle, in both rising and falling markets, by employing a long/short approach to global natural resources equity markets.</p> <p>The Fund seeks to achieve this by investing in a range of natural resources companies and associated industries, which are expected to have sustainable earnings and free cash flows, and to short sell securities which have declining earnings/cashflow or commodity specific headwinds. Short selling is also used by the Fund to manage risk and market or commodity exposures.</p>	Section 7
<b>Minimum suggested holding period</b>	5 years +	Section 7
<b>Standard risk measure</b>	Risk Band: 7 Risk Level: Very high risk of losing money in any year. May produce higher returns over the long term.	Section 7
<b>Risk of investing</b>	A degree of risk applies to all types of investments, including investments in the Fund. The Fund should be considered as a high risk strategy investment. It is not intended as a complete investment. The Fund is designed only for informed and educated investors who can bear the economic risks of the loss of their investment in the Fund. There can be no assurance that the Fund will achieve its investment objective or that any investor will get their money back. The significant risks are described in 'Risks of managed investment schemes'.	Section 6
<b>Minimum transaction and balance requirements<sup>1</sup></b>		Section 4
<b>Initial investment</b>	\$20,000	
<b>Additional investment</b>	\$5,000	
<b>Minimum withdrawal</b>	\$5,000	
<b>Minimum balance</b>	\$20,000	
<b>Indirect investors</b>	If you are an indirect investor, you need to comply with any minimum transaction and balance requirements of your IDPS operator.	
<b>Management fees<sup>2,3</sup></b>	Management fees are calculated as 1.35% pa of the Net Asset Value (NAV) of the Fund. They are calculated and accrued daily and paid monthly in arrears out of the assets of the Fund, generally around 15 business days after the end of the month.	Section 8
<b>Performance fees<sup>2,3</sup></b>	The amount of performance fees deducted from your investment are calculated as 20.5% of the difference between the Fund's daily gross return and the return of the Bloomberg AusBond Bank Bill Index, plus a hurdle of 2.00% pa, multiplied by the NAV. It is calculated and accrued daily and paid out of the assets of the Fund, generally around 15 business days after the end of the month.	Section 8
<b>Buy-sell spread</b>	+0.30%/-0.30% per transaction. This amount may change if the estimate of the underlying transaction costs changes.	Section 8
<b>Unit pricing frequency</b>	Each Business Day.	Section 4

	<b>Summary</b>	<b>Further information</b>
<b>Cut-off times</b>	Valid transaction requests need to be received by our Administrator before 2.30pm (Sydney time) on a Business Day to be processed using the unit price next calculated for that Business Day.	Section 4
<b>Distribution frequency</b>	Annually.  The distribution period is usually 1 July to 30 June. The distribution is generally paid within 14 days of the end of the distribution period. There may be periods in which reduced or no distributions are paid or where interim distributions are made and we do not guarantee any level of distributions.	Section 4
<b>Distribution payment methods</b>	Reinvested into the Fund as additional units or paid to your nominated account. For indirect investors, distributions will be paid to your IDPS operator as soon as practicable after the end of the distribution period.	Section 4
<b>ASIC Benchmarks and Disclosure Principles</b>	ASIC has developed two benchmarks and nine disclosure principles for funds that meet ASIC's definition of a hedge fund. These benchmarks and disclosure principles are aimed at assisting investors to understand the risks and features of these funds and whether such investments are suitable to them. The benchmarks deal with the valuation of assets and periodic reporting policy of the Fund, while the disclosure principles provide information on the Fund's investment strategy, investment manager and structure as well as further detail on the Fund's use of derivatives, leverage, short selling and the risks to withdrawals and liquidity.	Section 3

1. We may, at our discretion, accept lower minimum transaction and balance amounts.
2. 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. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.
3. For certain Wholesale Clients (as defined in the Corporations Act) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to 'Can fees be different for different investors?' in 'Fees and other costs'.

# 3. ASIC Benchmarks and disclosure principles

 Ausbil's style pursues a goal of adding value from a clear set of transparent processes that seek to enhance performance, whilst managing risk.

The Australian Securities and Investments Commission (**ASIC**) requires a responsible entity of funds that qualify as 'hedge funds' for the purposes of ASIC Regulatory Guide 240: Hedge Funds: Improving disclosure (**RG 240**) to disclose information against the benchmarks and disclosure principles set out in RG 240. The Fund is a 'hedge fund' for the purposes of RG 240. These benchmarks and disclosure principles are designed to assist investors to make informed decisions about investing in hedge funds.

The following table provides a summary of the benchmarks and disclosure principles addressed in this PDS. Further information relating to each benchmark and disclosure principles is set out in this PDS.

ASIC Benchmark	Description	Summary	For additional information
<b>ASIC Benchmark 1. Valuation of assets</b>	This benchmark is intended to support investor confidence in the value of the non-exchange traded assets of the Fund by addressing whether valuations of a fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	<p>This benchmark is met.</p> <p>When the Fund invests in such assets, the Responsible Entity has in place a policy to ensure valuations will be provided by an independent external provider.</p>	Please see 'How the Ausbil Global Resources Fund works' on pages 9 to 12 of this PDS.
<b>ASIC Benchmark 2. Periodic reporting</b>	This benchmark is aimed at ensuring that investors receive timely, basic fund investment performance information on a periodic basis to make informed investment decisions.	<p>This benchmark is met.</p> <p>The Responsible Entity has implemented a policy to provide detailed periodic updates to investors on certain key information in relation to the Fund on an annual and monthly basis as required. The following information will be included in the Fund's annual disclosure report:</p> <ul style="list-style-type: none"> <li>• the actual allocation to each asset type;</li> <li>• the liquidity profile of the portfolio of assets as at the end of the relevant period;</li> <li>• the maturity profile of any liabilities at the end of the relevant period;</li> <li>• the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) at the end of the relevant period;</li> <li>• details on the derivative counterparties engaged;</li> <li>• the monthly or annual investment returns over at least a five-year period (or since inception where the Fund has not been operating for five years); and</li> <li>• any changes to key service providers since any previous report given to investors, including any change in any related party status.</li> </ul> <p>The Fund's latest annual disclosure report will be provided to investors on our website <a href="http://www.ausbil.com.au">www.ausbil.com.au</a>. On a monthly basis, the following information will be provided to investors on our website <a href="http://www.ausbil.com.au">www.ausbil.com.au</a>:</p> <ul style="list-style-type: none"> <li>• the current NAV of the Fund and the redemption value of a unit as at the date of the NAV;</li> <li>• any changes in key service providers since any previous report was provided, including any change in related party status;</li> <li>• the net return on the Fund's assets after fees, costs and taxes; and</li> <li>• any material change in the Fund's risk profile or strategy and any change in the investment team.</li> </ul>	Please see 'Investor Communication' on page 36 of this PDS.

ASIC Disclosure Principle	Description	Summary	For additional information
<b>ASIC Disclosure Principle 1. Investment Strategy</b>	This disclosure principle is intended to ensure that investors can make informed decisions about the Fund by disclosing details of the investment strategy for the Fund, including the type of strategy, how it works in practice and how risks are managed.	<p>The Fund aims to provide positive absolute investment returns over the long term in both rising and falling commodity markets, by employing a long/short approach to global natural resources equity markets. There is no guarantee that this objective will be achieved.</p> <p>The Fund utilises both top down commodity and macro analysis, combined with bottom up stock analysis and a disciplined risk management process, with the aim of producing consistent and risk controlled outperformance through the economic cycle.</p> <p>The Fund aims to capitalise on the volatility within the natural resources sector over the long term, ie through the economic cycle, in both rising and falling markets, by employing a long/short approach to global natural resources equity markets.</p> <p>The Fund aims to achieve this by</p> <ul style="list-style-type: none"> <li>• investing in a range of global natural resources companies which are expected to have sustainable earnings and free cash flows; and</li> <li>• selling short securities which have declining earnings/cashflow or commodity specific headwinds.</li> </ul> <p>The Fund may invest in securities issued by entities within the global natural resources sector and associated industries, including but not limited to, pre-IPO securities, options, futures and convertible securities. Derivatives may be used by the Fund to implement the Fund's strategy or to manage risk.</p> <p>Investors in the Fund are exposed to risks at both the company level and market level. The key risks and how they are managed are set out in this PDS.</p> <p>The Responsible Entity may change and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. If this were to occur, the Responsible Entity will provide investors written notice of any material variation which the Responsible Entity believes investors would not have reasonably expected.</p>	Please see 'How we invest your money' on pages 17 to 25 of this PDS and 'Risks of managed investment schemes' on pages 14 to 16 of this PDS.
<b>ASIC Disclosure Principle 2. Investment Manager</b>	This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for managing the Fund's investments, as well as arrangements between the Responsible Entity and any investment manager.	Ausbil is responsible for the investment management of the Fund. Ausbil's investment team is made up of investment professionals located in Australia with extensive experience.	Please see 'How we invest your money' on pages 17 to 25 of this PDS.

<b>ASIC Disclosure Principle</b>	<b>Description</b>	<b>Summary</b>	<b>For additional information</b>
<b>ASIC Disclosure Principle 3. Fund Structure</b>	<p>This disclosure principle is intended to ensure that the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the Responsible Entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.</p>	<p>The Fund is a registered managed investment scheme with the ability to have multiple unit classes.</p> <p>The key service providers that support the Fund are Morgan Stanley as primer broker and custodian, Citigroup Pty Limited (cash custodian and investment administrator) and PricewaterhouseCoopers (fund auditor and compliance plan auditor)</p> <p>The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of the relationship and rights of termination.</p> <p>The Responsible Entity has in place procedures to monitor, where appropriate, key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards.</p> <p>The keys risks to the Fund's structure are short position risk, counterparty and collateral risk, default risk, fund risk, manager risk and regulatory risk.</p>	<p>Please see 'How we invest your money' on pages 17 to 25 of this PDS and 'Risks of managed investment schemes' on pages 14 to 16 of this PDS.</p>
<b>ASIC Disclosure Principle 4. Valuation, location and custody of assets</b>	<p>This disclosure principle is intended to ensure that the Responsible Entity of the Fund discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.</p>	<p>The Fund has a valuation policy where the Fund's assets and liabilities are usually valued each Business Day.</p> <p>Generally, for unit pricing purposes, listed securities and exchange traded derivatives are valued using the last available market price quoted on the relevant exchange. Any other assets such as cash and cash receivables are valued at recoverable value. Any income entitlements, cash at bank, and any amounts of GST recoverable by the Fund from the Australian Taxation Office (ATO) are also included in asset values used to calculate the investment and withdrawal unit price.</p> <p>The Fund does not have a geographic allocation policy. The Fund's investment guidelines permit investments in assets located anywhere in the world, the focus will generally be on North America, Europe and Asia Pacific, including Australia.</p> <p>The assets of the Fund are held by the Prime Broker and Citigroup Pty Limited as the custodians of the Fund.</p>	<p>Please see 'How we invest your money' on pages 17 to 25 of this PDS, 'How the Ausbil Global Resources Fund works' on pages 9 to 12 of this PDS and 'The Fund's key services providers' on page 23, of this PDS</p>
<b>ASIC Disclosure Principle 5. Liquidity</b>	<p>This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.</p>	<p>This disclosure principle is currently not applicable to the Fund as the Responsible Entity of the Fund can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's NAV within 10 days.</p>	<p>Please see 'How the Ausbil Global Resources Fund works' on pages 9 to 12 of this PDS.</p>
<b>ASIC Disclosure Principle 6. Leverage</b>	<p>This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).</p>	<p>The Fund may use leverage through short selling, derivatives and/or a borrowing facility with the Prime Broker. The use of leverage may be used to gain exposure to certain assets or asset classes or to hedge risk, which has the effect of magnifying both positive and negative Fund returns, which may magnify other investment risks.</p> <p>Leverage is measured by dividing the sum of the gross long equity positions and the short equity positions by the NAV.</p> <p>The maximum permitted gross level of leveraging is 200% of the NAV of the Fund. Ausbil will have the ability to move within the range of 0% to 200% of the Fund's NAV.</p>	<p>Please see 'How we invest your money' on pages 17 to 25 of this PDS.</p>

ASIC Disclosure Principle	Description	Summary	For additional information
<b>ASIC Disclosure Principle 7. Derivatives</b>	This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the Responsible Entity or investment manager, and the associated risks.	<p>The Fund can invest in derivatives including, but not limited to, options, futures, swaps and equivalent cash settled instruments, which may be over the counter or traded on an exchange.</p> <p>The Responsible Entity chooses counterparties that are institutions subject to prudential supervision. All of the Fund's derivatives counterparties must have, in the Responsible Entity's reasonable opinion, sufficient expertise and experience in trading such financial instruments.</p> <p>The main risks to the Fund as a consequence of dealing in derivatives are counterparty risk, leverage risk, derivative risk, short position risk and hedging risk.</p>	Please see 'How we invest your money' on pages 17 to 25 of this PDS and 'Risks of managed investment schemes' on pages 14 to 16 of this PDS.
<b>ASIC Disclosure Principle 8. Short Selling</b>	This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.	<p>Short selling may be used to expand the range of available investment opportunities and achieve returns when security prices are expected to go down, or to manage risk.</p> <p>Short selling is the practice of selling securities that have been borrowed from a securities lender and selling them in the market leaving the Fund with a "short position". This is done with the expectation that the securities will be repurchased at a price lower than the initial sale price and then returned to the securities lender.</p> <p>As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. Short selling risks are managed by the Responsible Entity through the use of specific techniques as part of our investment management process.</p>	Please see 'How we invest your money' on pages 17 to 25 of this PDS and 'Risks of managed investment schemes' on pages 14 to 16 of this PDS.
<b>ASIC Disclosure Principle 9. Withdrawals</b>	This disclosure principle ensures that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.	<p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security of an asset class, there is a risk that the generally applicable timeframe of seven Business Days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case withdrawals from the Fund may take significantly longer than the generally applicable timeframe.</p> <p>Withdrawals from the Fund are currently not funded by an external liquidity facility. However, as the Fund is able to gear, in practice, the Prime Broker facilities may be used to fund withdrawals under its normal operating terms.</p>	Please see 'How the Ausbil Global Resources Fund works' on pages 9 to 12 of this PDS.

## 4. How the Ausbil Global Resources Fund works

The Fund is a registered managed investment scheme under the Corporations Act. This means your money is pooled together with monies from other unitholders. This pool is used to buy investments that are managed on behalf of all unitholders in the Fund.

When you invest in the Fund, you will be issued units in the Fund, rather than directly receiving an interest in the assets of the Fund. Your units will represent the value of your interest in the Fund. The number of units you will receive is dependent on the amount of money you invest and the unit price at the time of your application. You can increase the number of units you hold by reinvesting distributions or making an additional investment, or decrease the number of units you hold by making a withdrawal. Certain rights are attached to units and these rights are exercisable by the person who owns them (referred to as you, direct investor or unitholders throughout this PDS).

Whilst the Fund is admitted as an mFund product under the ASX Operating Rules, investors are able to buy and sell units in the Fund through mFund. mFund uses CHESS, ASX's electronic settlement system, allowing automated application and redemption of units in the Fund through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

### Applications into the Fund

The minimum initial and additional investment amounts are \$20,000 and \$5,000, respectively. The Responsible Entity can vary or waive the minimum investment amounts at any time. Applications will be processed with an effective date being the date the Administrator receives a valid application, completes the necessary verification checks and receives your application money in cleared funds.

Instructions for completing and submitting applications are available at [www.ausbil.com.au](http://www.ausbil.com.au).

Valid applications for units received by the Administrator before 2.30pm on any Business Day will be issued at the application price next calculated for that Business Day. Valid applications for units received by the Administrator after 2.30pm on any Business Day or on a non-Business Day will be issued at the application price calculated for the next Business Day.

Please visit [www.ausbil.com.au](http://www.ausbil.com.au) for further information about making applications and/or additional investments.

Ausbil retains absolute discretion to accept or reject any application in whole or in part. Specifically, if the Responsible Entity is unable to approve an application due to a lack of documentation or failure of verification procedures required by the Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**), your application will not be processed until these procedures are complete.

### Applications via mFund

While the Fund is admitted as a mFund product, applications via mFund must be made through your broker. Applications made via mFund will be transmitted to Ausbil and are subject to the transaction cut-off times set out below. This is based on the time of the receipt of the application by Ausbil.

### Incomplete or rejected forms

Under the Constitution, the Responsible Entity can accept or reject any application for units and is not required to give any reason or grounds for such a refusal. To ensure that your application is processed efficiently, you need to complete all relevant sections of the relevant forms, including providing all required documents outlined in the forms.

If your forms are not completed to the Responsible Entity's satisfaction and the Responsible Entity is not able to proceed with your request the Responsible Entity may:

- attempt to contact you; and/or
- hold your application monies in a non-interest bearing trust account until the Responsible Entity receives the required information.



Monies will be held for a maximum period of 30 days commencing on the day the Responsible Entity receives the monies. After this period your funds will be returned to the source of payment. If your application form is subsequently completed to the Responsible Entity's satisfaction prior to the expiration of the 30 day period:

- before 2.30pm on any Business Day the monies held will be used to apply for units which will be issued at the application price next calculated for that Business Day; or
- after 2.30pm on any Business Day or on a non-Business Day, the monies held will be used to apply for units which will be issued at the application price calculated for the next Business Day.

## **Transferring ownership**

Transferring units may have tax implications and you should consult your taxation adviser before you arrange any transfer of units. The Responsible Entity may, in its discretion, refuse to register any transfer of units and is not required to give any reasons. Where the Responsible Entity refuses to register a transfer, it may redeem those units in accordance with the Constitution. To transfer units in the Fund, the transferor and transferee must complete a transfer form and/or application form, and return it to the Responsible Entity together with the necessary client identification forms and relevant identification documents. Ausbil has the right to reject transfers in certain circumstances.

Please note that:

- Client identification forms and relevant identification documents for transfers are required under the AML/CTF Act and AML/CTF Rules (collectively 'AML/CTF' legislation). Please see 'Identification and verification requirements' on page 35.
- The Responsible Entity is unable to accept unit transfers in the Fund until it has received your correctly completed transfer form and client identification form.

For further information about how you may transfer your units, please contact the Responsible Entity.

## **Withdrawals from the Fund**

The minimum withdrawal amount is \$5,000.

If your withdrawal request results in your remaining investment in the Fund falling below \$20,000, the Responsible Entity may require you to withdraw your entire balance. The Responsible Entity can vary or waive the minimum withdrawal amount or holding at any time.

You can request the withdrawal of all or part of your investment in the Fund by sending a completed Redemption Form, by email or mail to the Administrator. Please note, if you request to pay your withdrawal proceeds into a new Australian bank account we must receive the request by post, ie the original request must be posted it cannot be emailed or faxed.

Whilst the Fund is liquid, the Responsible Entity will generally pay redemptions within 7 Business Days after processing your request, although the Fund's Constitution permits 21 days from the time of redemption for the payment to be made. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units within the usual period upon request.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by the Administrator before 2.30 pm on any Business Day will be processed using the withdrawal price next calculated for that Business Day. Valid withdrawal requests received by the Administrator after 2.30 pm on any Business Day or on a non-Business Day will be processed at the withdrawal price calculated for the next Business Day.

Under the Constitution, Ausbil has the right to compulsorily redeem units in the Fund in certain other circumstances, including where holding the units is in breach of law.

The Responsible Entity may determine that some or all of a withdrawal amount consists of income (which may include net capital gains), rather than capital of the Fund. The Responsible Entity will advise you when this is the case as soon as practicable after the end of the financial year in which the withdrawal occurred.

The Redemption Form is available at [www.ausbil.com.au](http://www.ausbil.com.au).

## **Withdrawals via mFund**

While the Fund is admitted as an mFund product, mFund investors can withdraw from the Fund by lodging a request with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf). Your ASX broker will direct the withdrawal request to us through CHESS. Requests for withdrawals received and accepted by us will be forwarded by CHESS to your ASX broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESS daily batch settlement process, the units will be cancelled and your Holder Identification Number (**HIN**) will be updated. Withdrawal requests made via mFund will be transmitted to Ausbil and are subject to the transaction cut-off times set out above. This is based on the time of receipt of the withdrawal request by Ausbil.

## **Restrictions on withdrawals**

The Responsible Entity may, in accordance with the Constitution and the Corporations Act, suspend withdrawals when the Responsible Entity believes it is in the best interests of the unitholders of the Fund as a whole, including where any of the following occur in relation to the Fund:

- the Responsible Entity has taken all reasonable steps to realise sufficient Fund assets to satisfy withdrawal requests and is unable to do so; or
- the Responsible Entity is unable to calculate the withdrawal price or to fairly determine the NAV due to one or more circumstances outside its control.

In addition if the Responsible Entity receives withdrawal requests in respect of any withdrawal date in relation to more than 20% of the units in the Fund (or of the units in any class of the Fund), the Responsible Entity may stagger the withdrawals in accordance with the Constitution.

If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. As at the date of this PDS the Fund is liquid.

For further details on the circumstances where the Responsible Entity may delay or suspend withdrawals, please contact the Responsible Entity or refer to the Constitution, a copy of which is available free of charge by contacting the Responsible Entity.

The Responsible Entity will inform investors of any material change to the Fund's withdrawal procedures and rights via its website [www.ausbil.com.au](http://www.ausbil.com.au), in the next regular communication or as otherwise required by law.

## **Transactions via mFund**

While the Fund is admitted as an mFund product under the ASX Operating Rules, investors will be able to buy and sell and redeem units in the Fund through mFund. mFund uses CHESS, allowing automated application and redemption of units in the Fund through your ASX broker or your financial adviser who uses a stockbroking service on your behalf (broker). Holdings in these mFunds are held electronically and are linked to a HIN in the same way as other investments transacted through ASX. However the mFund Settlement Service does not facilitate on-market buying and selling between investors. The mFund units settled through the mFund Settlement Service are issued and redeemed by the Responsible Entity of the Fund.

Your broker will process a buy order for units through CHESS. CHESS will confirm the order with your broker once it has been received and accepted by the Responsible Entity. Your payment will be passed through the CHESS daily batch settlement process. The Responsible Entity will price and allot new units to your HIN and CHESS will notify your broker of the unit price and units allotted. For more information about mFund visit the ASX website [www.asx.com.au/mfund](http://www.asx.com.au/mfund) or contact your broker.

## **Instructions by email or fax**

None of the Responsible Entity nor its duly appointed agents, including the Custodian and Administrator accepts any responsibility or liability for any loss caused as a result of fraud or errors in or non-receipt or illegibility of, any emailed or faxed communication or for any loss caused in respect of any action taken as a consequence of emailed or faxed instructions believed in good faith to have originated from properly authorised persons.

## **Unit prices**

You will be issued units when you invest in the Fund. Each of these units represents an equal undivided interest in the Fund but does not give you any interest in any particular asset the Fund holds. As a result, each unit has a dollar value which is determined in accordance with the Constitution (unit price). The unit price is generally calculated each Business Day based on the NAV of the Fund divided by the number of units on issue in the Fund. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses).

Application and withdrawal unit prices are then calculated by applying a buy or sell spread to the NAV unit price.

The buy-sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. For additional information on the buy-sell spread, refer to Section 8, 'Fees and other costs'.

The unit price will change as the market value of assets in the Fund rises or falls. All unit prices are calculated to six (6) decimal places.

Application and withdrawal unit prices for each Business Day are available at [www.ausbil.com.au](http://www.ausbil.com.au).

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the Responsible Entity receives the correct documentation and will be processed using the unit price on the Business Day the Responsible Entity receives the correct documentation (subject to the applicable cut-off time).

The Responsible Entity has adopted a Unit Pricing Discretions Policy that sets out policies and procedures when exercising discretions under the Constitution. For the purpose of calculating the NAV of the Fund, the Responsible Entity will rely on financial data provided by independent third party pricing services. The Responsible Entity may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets. These methods are consistent with ordinary commercial practice for valuing units in the Fund.

A copy of our Unit Pricing Discretions Policy is available at [www.ausbil.com.au](http://www.ausbil.com.au).

While the Fund is admitted as an mFund product, unitholders will be able to view the current price of units in the Fund at any time at [www.ausbil.com.au](http://www.ausbil.com.au) or at [www.mfund.com.au](http://www.mfund.com.au). mFund is not a trading facility and investors will not trade units with other investors on the market.

## **Distributions**

The Fund generally determines distributions yearly (as at 30 June), however there may be periods in which no distributions are made, or the Responsible Entity makes interim distributions. The Responsible Entity does not guarantee any particular level of distribution.

Distributions are usually paid within 14 days after the end of the distribution period.

Unless you instruct otherwise, you agree that your distribution entitlement will be reinvested. If you wish to change your distribution payment option please complete a Change of Details Form available at [www.ausbil.com.au](http://www.ausbil.com.au).

The distributions you receive are generally assessable income and can be made up of both income and realised capital gains. Distributions are generally calculated based on the distribution amount divided by the number of units on issue in the Fund. This gives a distributable income amount per unit. Your distribution entitlement is then determined by multiplying the number of units you hold by the distributable income amount per unit.

Reinvestment of distributions will normally be effective the first day following the end of the distribution period at an application price calculated by dividing the NAV of the Fund at the end of the distribution period (excluding the distribution amount) by the number of units on issue. No buy/spread will apply in this circumstance.

The Responsible Entity may pay interim distributions throughout the year where the Responsible Entity considers it appropriate, for example, where there is a large withdrawal it may distribute income and net realised capital gains before processing the withdrawal so that remaining unitholders are treated fairly. Prior notice of interim distributions will not be provided.

The size of the distribution will vary depending on the factors that influence the performance of the Fund (such as security selection, interest rates and market conditions) and may not be paid at all. Distributions may include a part return of capital. Details will be provided in your tax statement.

Distributions are calculated in accordance with the Constitution. Undistributed gains accrue in the unit price of the Fund during the relevant distribution period. This means that if an investment is made just before the end of a distribution period, you may receive some of the investment back immediately as income. The Fund's unit price will usually fall following a distribution because the income and net realised capital gains accumulated during the distribution period have been distributed.

## 5. Benefits of investing in the Ausbil Global Resources Fund

Investing in the Fund offers a range of benefits, including:

- **Exposure to long and short positions in companies:** access to an actively managed portfolio of long and short positions in global natural resources and related services and infrastructure, which investors may not be able to invest in directly on their own.
- **Experienced team:** access to Ausbil's highly experienced investment management team with a proven track record.
- **Expertise:** access to the investment expertise and knowledge of the Ausbil investment management professionals, who combine company level research with top down economic analysis with a disciplined approach to portfolio construction.
- **Regular reporting:** direct investors can keep track of their investments through Ausbil's secure client website, [www.ausbil.com.au](http://www.ausbil.com.au). In addition, direct investors will receive regular unitholder statements and an annual tax statement.

## 6. Risks of managed investment schemes

All investments carry risk. The likely investment return and the risk of losing money are different for each managed investment scheme. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long term returns may also carry the highest level of short term risk.

There are significant risks associated with managed investment schemes generally. You should be aware that:

- the value of investments will vary;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed and investors may lose some of their money;
- laws affecting registered managed investment schemes may change in the future; and
- the level of risk for each person will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth are invested and the investor's risk tolerance.

Risk generally refers to the variability or volatility in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, a lower than expected rate of return, the fact that the value of your investment may not keep pace with inflation or possible delays in redeeming your investment. Defensive assets (cash and fixed interest) have relatively lower risk and lower expected returns than growth assets (listed property and equities) which have higher expected risk and potential for the greatest return. However, in extraordinary market environments, with extreme market volatility, the expected risk and return profile of assets may differ.

**The Fund should be considered as a high risk strategy investment. It is not intended as a complete investment. The Fund is designed only for informed and educated investors who can bear the economic risks of the loss of their investment in the Fund. There can be no assurance that the Fund will achieve its investment objective or that any investor will get their money back.**

### Managing risk

Ausbil is unable to eliminate all investment risk, but does analyse, manage and aim to reduce the impact of risks by actively monitoring investment markets and portfolios, through the use of carefully considered investment guidelines, buying and selling investments with the aim of maximising returns and via its intensive research approach that focuses on regular company contact and internal and external research of companies and the industries in which they operate.

The recommended time frame for investing in the Fund, based on the risks associated with the Fund, is more than 5 years.

The significant risks of investing in the Fund are summarised on pages 14 to 16.

Risk	Description of Risk
<b>Security risk</b>	The value of a security (ie a share in a company) may be affected by market sentiment and other factors that may impact the performance of the actual company. Investing in securities of a company will expose an investor to many of the risks to which the individual company is itself exposed. They include such factors as changes in management, actions of competitors and regulators in regard to the company and changes in technology and market trends. Share markets tend to move in cycles, and the individual security price of a security may fluctuate and underperform other investments over extended periods of time. Such risk is considered by Ausbil through its investment process and managed by maintaining a diversified portfolio of securities.
<b>Market risk</b>	The risk that the market values of the assets in which the Fund invests will fluctuate as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks and environmental and technological issues, each of which can lead to changes in prices and overall market volatility. The value of a security may be influenced by the condition of investment markets (eg domestic and global sharemarkets and bond markets etc.), as well as the economic state of particular regions or the returns of other asset classes. Investment markets are impacted by broad factors such as economic conditions including interest rates, the availability of credit, political environment, investor sentiment, global markets and significant external events (eg natural disasters, pandemics).
<b>Short position risk</b>	Selling securities short, ie taking a short position, involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Short selling has the effect of leveraging the Fund (as mentioned below) and carries the risks of magnifying the impact of negative returns and increased margin calls. Additionally there is a risk that the Prime Broker may request the return of the stock. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the investment manager's choosing.

<b>Risk</b>	<b>Description of Risk</b>
<b>Derivatives risk</b>	A derivative is a financial instrument that is derived from another asset, security or index (the underlying security). Derivatives can expose the Fund to risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security), basis risk (the risk that the value of the derivative moves independently from the value of the underlying security), liquidity risk and credit risk.
<b>Counterparty risk</b>	The Fund uses the services of a Prime Broker to facilitate the lending of Securities to short sell. Until the Fund returns a borrowed Security, it will be required to maintain assets with the Prime Broker as Collateral. As such, the Fund may be exposed to certain risks in respect of that Collateral. The Fund will seek to minimise derivative counterparty risk through a risk management process that identifies the levels of default risk, replacement risk and settlement risk associated with the counterparty and that ensures that the Fund's interactions with the counterparty limits exposure to any potential counterparty risk.
<b>Default risk</b>	<p>Investment in securities and financial instruments generally involves third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody which could adversely affect the value of the Fund.</p> <p>The Fund will use the services of the Prime Broker and outsource key operational functions including custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Fund or provide services below standards which are expected by the Fund, causing loss to the Fund.</p>
<b>Leverage risk</b>	Where investments are leveraged, losses may exceed the original investment. The Fund will utilise the cash generated from a short securities sale to purchase additional securities. The Fund may leverage cash from short positions to extend long positions. The purchase of the additional securities has the effect of leveraging the Fund and carries the associated risk of magnifying the volatility of investment gains or losses and potentially reduces the security of capital invested. Leveraged investments may significantly underperform equivalent non-leveraged investments when the underlying assets experience negative returns. Leverage is measured by dividing the sum of the gross long equity positions and the short equity positions by the NAV of the Fund. The maximum permitted gross level of leveraging is 200% of the value of the Fund. These risks also give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the investment manager's choosing.
<b>Liquidity risk</b>	Securities purchased for the Fund may be liquid at the time of purchase and subsequently become illiquid due to, among other things, events relating to the company, market events, economic conditions, investor perceptions or lack of market participants. The lack of an active trading market may make it difficult to obtain an accurate price for a security. Liquidity risk may also refer to the risk that the Responsible Entity may not be able to pay redemption proceeds.
<b>Fund risk</b>	Fund risks include potential termination of the Fund, a change in the Fund's characteristics (such as distribution frequency, change in fees and expenses etc.), the closure of the Fund to new and/or additional applications (due to, for example, the Fund reaching capacity), the replacement of the Responsible Entity and laws that affect managed investment schemes may change. There is also a risk that investing in the Fund may give different results than investing directly because of the income or capital gains or losses accrued in the Fund and the consequences of applications and redemptions by other unitholders.
<b>Manager risk</b>	The risk that Ausbil will not achieve the Fund's stated investment objective or deliver returns that compare favourably to alternative investment options. Many factors can negatively impact Ausbil's ability to generate acceptable returns, including loss of key staff.
<b>Withdrawal risk</b>	<p>To meet withdrawal requests or to raise cash to pursue other investment opportunities, the Responsible Entity may be forced to sell securities at an unfavourable time and/or under unfavourable conditions, which may adversely affect the Fund.</p> <p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally applicable timeframe of 7 Business Days for meeting withdrawal requests for the Fund may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer than the generally applicable timeframe.</p> <p>The maximum timeframe in which we, as responsible entity, have to meet a withdrawal request is 21 days as set out in the Constitution. Where the Fund is not liquid (as defined in the Corporations Act), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act.</p> <p>Please refer to 'Restrictions on withdrawals' on page 11 of this PDS for further information about an unitholder's ability to withdraw when the Fund is liquid, including the timeframes, and an unitholder's ability to withdraw if the Fund is not liquid.</p>
<b>mFund Risk</b>	Investing through mFund does involve certain additional risks. For example you will be entering into a financial transaction with a third party, such as a broker. Investing through mFund also carries the risk of the ASX suspending or revoking the admission of a fund to mFund, or communication or system failures affecting the mFund system. In addition, failure to comply with the mFund admission requirements may result in the Fund losing its settlement status on the mFund Settlement Service. Risks may also arise in relation to transactions processed via mFund if ASX settlement procedures have not been accurately relayed or processed.

Risk	Description of Risk
<b>Currency risk</b>	The risk that the value of investments of the Fund will change due to movements in the exchange rate between the local currency and the Australian dollar. This risk can arise because the Fund holds securities domiciled outside Australia or securities denominated in currencies other than the Australian dollar, which are valued in currencies other than Australian dollars. A change in the value of these currencies relative to the Australian dollar can therefore affect the value of the investment. Ausbil generally seeks to hedge the currency exposure for the Fund's investments back to Australian dollars. For example, a rise in the Australian dollar relative to other currencies may negatively impact the value of the unhedged investment. Conversely, a decline in the Australian dollar relative to other currencies may positively impact the value of the unhedged investment.
<b>Concentration risk</b>	The risk associated with a fund that concentrates its investments in a small number of securities or invests in a small subset of an asset class. The performance of a concentrated fund tends to be more volatile than the performance of a more diversified fund. This is because a concentrated fund is generally exposed to a smaller range of assets and is therefore more sensitive to fluctuations in the value of those assets.
<b>Smaller companies risk</b>	Smaller companies may include recently established entities with limited public information, or entities engaged in new-to-market concepts which may be speculative in nature. Securities in smaller companies may trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than securities in larger companies. Smaller companies may also have limited operating histories, markets, product lines or financial resources than larger companies. They may also depend heavily on key personnel.
<b>International investment risk</b>	Investing internationally carries additional risks. These include: <ul style="list-style-type: none"> <li>• Differences between countries relating to accounting, auditing, financial reporting, taxation, government regulation, securities exchanges and transactional procedures;</li> <li>• Foreign markets may have different levels of liquidity, pricing availability, settlement and clearance procedures;</li> <li>• Actions of foreign governments, exchange controls, defaults on Government securities, political and social instability;</li> <li>• Investment returns from global securities shares are also affected by exchange rate fluctuations; and</li> <li>• Non-resident withholding tax may be deducted from dividend payments made by companies registered overseas.</li> </ul>
<b>Portfolio turnover risk</b>	Ausbil may adjust the Fund as considered advisable in view of prevailing or anticipated market conditions and the Fund's investment objectives, and there is no limitation on the length of time the securities of the Fund must be held, prior to being sold. Portfolio turnover rate will not be a limiting factor and will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Fund. In addition, the Fund may realise significant short term and long-term capital gains.
<b>Regulatory risk</b>	All investments carry the risk that their value may be affected by changes in laws and regulations especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Fund holds investments.
<b>Investment strategy risk</b>	The success and profitability of the Fund will largely depend upon the ability of Ausbil to invest in a portfolio which generates a return for the Fund. There are risks inherent in the investment strategy that the Fund employs. Importantly, the investment strategy seeks to benefit from this inherent volatility in the global natural resources sector. A particular security or commodity position that the Fund invests in may fall in value for a number of reasons, including a change in a business's internal operations or management, a change in the business environment or a change in the commodities market.  An inherent part of a strategy may be to identify securities which are undervalued (or, in the case of short positions, overvalued) by the marketplace. Success of such a strategy necessarily depends upon the market eventually recognising such value in the price of the security, which may not necessarily occur.  Equity positions, including initial public offerings, may involve highly speculative securities.
<b>Hedging risk</b>	The Responsible Entity may employ hedging techniques designed to minimise fluctuations in the relative values of the investments within the Fund by reducing the risk of adverse movements in currency exchange rates, commodities and, potentially, interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks and can also limit potential gains. Therefore, while the Fund may benefit from the use of these hedging techniques, unanticipated changes in currency exchange rates, interest rates or the prices of the Fund's investments may result in a poorer overall performance of the Fund than if it had not entered into such hedging transactions.
<b>Commodity risk</b>	The Fund will primarily invest in equities and derivatives in the global natural resources sector, and associated industries. As such the value of investments may be impacted by variations in underlying commodity prices.

# 7. How we invest your money

 You should read the important information about how we invest your money, including the Fund's Standard Risk Measure, contained in the table below and further explained on page 25 of this PDS, before making a decision to invest in the Fund.

## Your investment decision

Investment decisions are important and should reflect your particular circumstances. In making a decision it is important to consider the investment, its level of risk and diversification and how it relates to your investment goals and other investments you may hold. You should read all the information in this PDS carefully and seek appropriate professional advice before you make your decision.

## Considering your investment goals

To meet your investment goals, you should consider:

- your return expectations - this reflects the types of returns that you are seeking from an investment;
- your investment time horizon - which is based on the length of time you expect to hold an investment; and
- your risk tolerance - which refers to the extent of variation in the value of your investment, and returns (if any) from your investment, that you are willing to bear over the course of your investment time horizon.

<b>Ausbil Global Resources Fund</b>	
<b>Investment objective</b>	The Fund aims to provide positive absolute investment returns over the long term in both rising and falling commodity markets, by employing a long/short approach to global natural resources equity markets. There is no guarantee that this objective will be achieved.
<b>Investment strategy</b>	<p>The Fund utilises both top down commodity and macro analysis, combined with bottom up stock analysis and a disciplined risk management process, with the aim of producing consistent and risk controlled outperformance through the economic cycle.</p> <p>The Fund aims to capitalise on the volatility within the natural resources sector over the long term, ie through the economic cycle, in both rising and falling markets, by employing a long/short approach to global natural resources equity markets.</p> <p>The Fund aims to achieve this by investing in a range of global natural resources companies which are expected to have sustainable earnings and free cash flows, and by short selling global natural resources companies which have declining earnings/cashflow or commodity specific headwinds.</p>
<b>Investments</b>	<p>The Fund may have a long equity exposure and/or short equity exposure of global natural resource securities, being listed and unlisted securities issued by entities within the natural resources sector, including, but not limited to, pre-IPO securities, equity swaps, options and convertible securities. The Fund will hold a maximum of 70 securities for its long equity exposure.</p> <p>The Fund uses short selling with the aim of enhancing returns. Ausbil shorts securities by borrowing securities through the Prime Broker then selling them in the market in the expectation that they will be repurchased at a price lower than the initial sale price and then returned to the Prime Broker. The Fund will hold a maximum of 30 securities for its 'short' equity exposure.</p> <p>The Fund has a minimum net equity exposure of -75% and a maximum of +100%. The Fund's maximum gross exposure is 200%.</p> <p>The Fund may use exchange traded and over the counter derivatives for the purpose of gaining long or short exposure in order to implement the Fund's investment strategy. The Fund may be leveraged through the use of derivatives.</p>
<b>Benchmark</b>	Bloomberg AusBond Bank Bill Index



<b>Asset ranges and exposures<sup>1</sup></b>		<b>Min</b>	<b>Max<sup>2</sup></b>
	Net equity exposure <sup>3</sup>	-75%	100%
	Gross equity exposure <sup>4</sup>	0%	200%
	Australian listed equities (net)	-75%	175%
	International listed equities (net)	-75%	175%
	Exchange traded derivatives (net)	-75%	175%
	Over-the-counter derivatives (net)	-75%	175%
	Cash and cash equivalents (net)	0%	175%
<b>Minimum suggested holding period</b>	5 years +		
<b>Standard risk measure</b>	Risk Band: 7 Risk Level: Very high risk of losing money in any year. May produce higher returns over the long term.  Please refer to “Standard risk measure” on page 25 of this PDS.		
<b>Fund performance</b>	Available on our website ( <a href="http://www.ausbil.com.au">www.ausbil.com.au</a> ). Past performance is not a reliable indicator of future performance.		
<b>Labour standards, environmental, social and ethical considerations</b>	Ausbil is a signatory to the Principles for Responsible Investment (PRI). PRI signatories are committed to the principles of responsible investing including considering environmental, social (including labour standards) and corporate governance (ESG) factors in their investment decision-making and ownership practices. Ausbil does not have a predetermined view on these factors, but it includes an assessment of these ESG factors in its investment process. Ausbil considers these factors in its investment decisions, to the extent we believe they are relevant to the financial performance of the investment.		
<b>Changes to Fund details</b>	We have the right to close or terminate the Fund. We may also change the Fund’s investment return objective, asset classes and asset allocation ranges without prior notice in some cases. We will inform investors of any material change to the Fund’s details in their next regular communication or as otherwise required by law.		

1. The Fund may move outside the ranges set out above, for example where a large application is received or due to market movements. Ausbil will seek to rebalance the Fund within the ranges in a reasonable period of time.

2. Includes use of leverage to increase exposure of the Fund to investment markets.

3. Net equity exposure is the total long equity exposure minus the total short equity exposure, including derivatives.

4. Gross equity exposure is the total long equity exposure plus the total short equity exposure, including derivatives.

## Additional information about the Fund

### Portfolio diversification and risk management guidelines

The Fund’s diversification and risk management guidelines are set out in the table below. The Fund may move outside the guidelines set out below. Ausbil will seek to rebalance the Fund within the guidelines in a reasonable period of time.

Guideline	
Maximum individual long position	10% of the Fund’s NAV
Maximum individual short position	7.5% of the Fund’s NAV
Maximum aggregate exposure of top 10 long positions	60% of the Fund’s NAV
Maximum aggregate exposure of top 10 short positions	60% of the Fund’s NAV
Maximum aggregate net exposure to any commodity sub-category	+/-40% of the Fund’s NAV
Derivatives exposure	Up to 100% of NAV

### Short selling

A short sale occurs when the Responsible Entity borrows a Security from the Fund’s Prime Broker and sells the security to a third party, generating cash proceeds. The Responsible Entity will reacquire the same security on-market and return it to the lender to close the transaction.

The Fund makes a profit if the price of the shorted security (holding borrowed security against it) declines in value in the period between when the Responsible Entity short sells the security and when the borrowed security is reacquired. Conversely, the Fund will suffer a loss if the borrowed security increases in value during this period.

While the time period for borrowing securities to short sell may not be fixed, the Prime Broker may on rare occasions recall the securities and the Responsible Entity must acquire them on-market to close the transaction. Please see the examples below and Section 6 for more detail on short position risk.

An amount of the Fund's capital is retained as collateral with regard to the borrowed security. As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. Short selling risks may be managed through the use of strategies such as:

- **stop loss limits** – buying or selling a security when it reaches a certain price;
- **pair trades** – short positions are offset by also taking long positions in similar securities; and
- **option overlay strategies** to reduce equity related risk.

Short selling will also increase the Fund's gross equity exposure to the sharemarket above 100%. The Fund is restricted to short securities up to a maximum of 75% of the Fund. This in turn may magnify the exposure to other investment risks detailed in 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.

### **Hypothetical short selling example**

Assuming the Fund's NAV is \$1,000, which is placed on deposit with the prime broker/custodian or with a bank, the Responsible Entity is then able to short sell securities, creating a liability on the statement of financial position. The proceeds of the short sales may be used to invest in a long position, or the Fund may run a net short portfolio.

Where the Fund has \$1,000 of short positions and \$1,000 of long positions, in this example, the Fund would have a gross exposure to securities of 200% of the portfolio's NAV and net market exposure within the portfolio (as a whole) of zero.

If the Responsible Entity is successful and the value of the long position increases by 5% (to \$1,050) while the value of the short position decreases by 5% to (\$950), by virtue of the leverage in the structure, the Fund will have made a profit of 10% or \$100 (before costs and interest). This is twice the return of a traditional long only portfolio that would make 5% or \$50 on the increase in value of the long position.

Conversely, if the Responsible Entity is not successful and the movements in the portfolio values are reversed, the Fund will have lost 10% or \$100 (before costs and interest), twice the amount a traditional long only portfolio would have lost (which would have fallen by just 5% or \$50).

### **Derivatives**

The Fund may at times invest in or obtain exposure to exchange traded derivatives and over-the-counter derivatives, such as swaps, futures and options. The term 'derivative' is used to describe any financial product that has a value that is derived from another security, liability, or index.

Derivatives may be used to gain exposure when they offer a more cost-effective way of purchasing the underlying security. Derivatives can be used to implement investment decisions (including hedging), and as a risk management tool (such as managing the effect of equity, interest rates or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets.

Over the counter derivatives, for example equity swaps, futures and foreign exchange forwards, will be traded through the Fund's Prime Broker.

The net exposure of derivatives are limited to 100% of the NAV of the Fund.

The Constitution permits the use of derivatives and the Responsible Entity may leverage the Fund through the use of derivatives. Where the Fund uses derivatives, the Responsible Entity aims to manage the Fund to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives.

The use of derivatives may expose the Fund to certain risks. Please refer to 'Derivative risk' and 'Counterparty risk' in Section 6 for more information.

### **Leverage**

The Fund may use leverage through short selling, derivatives and/or a borrowing facility with the Prime Broker. The use of leverage may be used to gain exposure to certain assets or asset classes or to hedge risk, which has the effect of magnifying both positive and negative Fund returns, which may magnify other investment risks.

The typical range of gross level of leveraging is 100% to 175% of the NAV of the Fund, with the maximum being 200%. This means that for every \$1 of the Fund's NAV the Fund may be leveraged between \$1 and \$1.75 and may be leveraged up to a maximum of \$2.00. For example, this means that compared to an unleveraged fund, assuming that the Fund reaches its maximum gross exposure of 200% NAV, then:

- a 1% increase in the return on assets of the Fund may result in a 2% increase in return to investors; and
- a 1% decrease in the return on assets of the Fund may result in a 2% decrease in return to investors.

The above has been provided as example only and any assumptions underlying these examples are hypothetical only.

In order to secure the obligations to its Prime Broker, the Fund will provide collateral and charges the assets held in custody in favour of the Prime Broker. Any collateral held by the Prime Broker will not be segregated from its own assets. This lack of segregation, and the Prime Brokers' right to rehypothecate the Funds' assets, are additional risks for a Fund.

### **Key dependencies underpinning the strategy's ability to produce investment returns**

The investment returns of the Fund depend primarily on whether Ausbil's investment decisions in relation to the Fund's long and short positions are successful; that is, whether the securities that the Fund holds in long positions increase in value and whether the securities that the Fund sells short decrease in value (thereby resulting in a gain for the Fund).

The ability to produce investment returns is generally a combination of two key factors. Firstly, the performance of the underlying market will determine a significant proportion of the total return of the Fund. Secondly, the success of Ausbil's investment process, will determine the returns in excess of the market return.

The Fund will generally operate within a net equity exposure band of -25 to +75%, and expected returns will reflect a level of correlation with overall equity returns (typically the higher the level of net equity exposure, the higher the correlation with market returns).

Where the Fund operates with a net equity exposure less than 100%, this may insulate investors from the full extent of any market decline. Conversely, the lower the Fund's net equity exposure, the more likely the Fund's returns will trail a rising equity market. The Responsible Entity deploys judgement and experience to determine the net equity exposure.

The remaining component of overall Fund returns will also be determined by the success and failure of individual stock selection. Individual stock selection is determined by the application of Ausbil's stated investment approach.

### **Location and currency denomination of the assets of the Fund**

The assets of the Fund are generally denominated in the currency of the relevant jurisdiction. The Fund will be denominated in Australian dollars and currency exposures will be generally hedged.

The Fund has exposure to assets denominated in currencies other than Australian Dollars. Typically, assets may include, but are not limited to, exposure to the United States Dollar, Canadian Dollar, British Pound, and the Euro. Assets not traded on exchanges include cash and cash equivalent instruments, securities expected to be listed within 90 days, bills of exchange and short dated cash contracts. These assets are liquid and valued independently in accordance with market value of the assets.

The Fund may invest in assets located anywhere in the world. However, the Fund will predominantly focus on assets located in North America, Europe and the Asia Pacific. Assets will be valued in the currencies issued by the country in which the assets are located and will be converted into AUD at the relevant exchange rate quoted by an independent pricing provider on each Business Day.

Fund assets will be held by the Custodian or Cash Custodian which are located in the United Kingdom and Australia (respectively).

Other assets are held in prime brokerage accounts and may be subject to counterparty risk should issues arise with the Prime Broker.

### **Risk management**

Portfolios that invest in companies' securities are inherently exposed to risk at both the company level and market level. The main investment risks to which the Fund may be exposed are generally a result of stock selection, industry diversification, net exposure, the level of cash in the Fund and the success in identifying short positions. This is achieved through the experience of Ausbil's investment team and the investment process.

The Responsible Entity considers investment risk to be the permanent loss of capital.

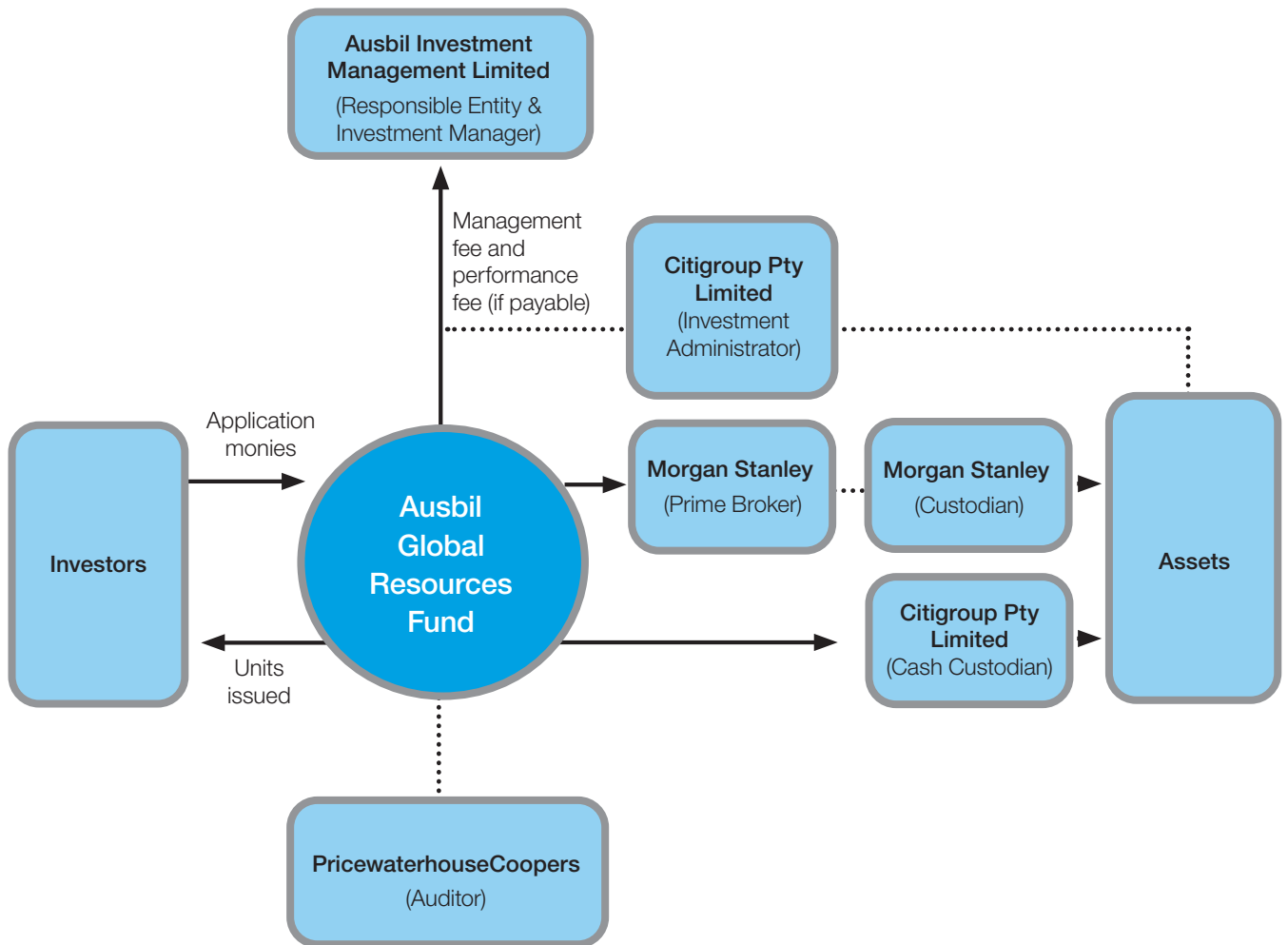
The Fund deploys 3 key elements as part of its risk management strategy:

1. A diversification of portfolio sectors, sub-commodities and constituents within detailed limits and guidelines across the broad natural resource investment universe;
2. A robust investment process which seeks to consistently deliver positive absolute returns over the long term; and
3. A portfolio measurement tool that highlights key risk positions within the Fund focused on sources of risk.



### The Fund's investment structure

The diagram below shows the key entities involved in the Fund, their relationship to each other, their roles and the flow of investment money through the Fund as at the date of this PDS.



## The Fund's key services providers

The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches of the terms of the relationship and rights of termination.

The Responsible Entity has in place procedures to monitor key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards. The service providers may be changed from time to time, including the Custodian where we are satisfied that the replacement custodian meets applicable regulatory requirements.

Key service providers	Scope of services	Jurisdiction
Citigroup Pty Limited (ABN 88 004 325 080) <b>(Citi)</b>	<p>Citi has been appointed by the Responsible Entity as the Investment Administrator and Cash Custodian for the Fund.</p> <p>The Investment Administrator to the Fund provides administration services to the Responsible Entity on behalf of the Fund.</p> <p>The Cash Custodian provides custodial services to the Fund and may be responsible for the safekeeping of the assets of the Fund. As the Cash Custodian of the assets of the Fund, Citi has no independent discretion with respect to the holding of assets, has no supervisory role in relation to the Fund and is subject to performance standards.</p> <p>The Cash Custodian is responsible for holding custody of application money, excess cash, short dated cash instruments and other unencumbered, unleveraged instruments. The Cash Custodian may also hold other assets of the Fund.</p>	Australia
Morgan Stanley & Co International plc <b>(Prime Broker)</b>	<p>Morgan Stanley &amp; Co International plc has been appointed by the Responsible Entity as the Prime Broker and Custodian for the Fund.</p> <p>The Prime Broker provides a range of services, including execution, stock lending, margin loans and derivative exposure.</p> <p>The Custodian provides custodial services to the Fund and is responsible for the safekeeping of the assets of the Fund. As Custodian of the assets of the Fund, the Prime Broker has no independent discretion with respect to the holding of assets, has no supervisory role in relation to the Fund and is subject to performance standards.</p>	United Kingdom
PricewaterhouseCoopers (ABN 52 780 433 757) <b>(PWC)</b>	<p>PWC is the fund auditor and compliance plan auditor for the Fund.</p> <p>The auditor's role is to provide an audit of the financial statements and compliance plan of the Fund each year, as well as performing a half yearly review (if required), and to provide an opinion on the financial statements.</p>	Australia

## Prime Broker

The Prime Broker has been appointed the prime broker for the Fund. The appointment was made pursuant to the prime brokerage customer documents (**Customer Documents**) entered into between the Responsible Entity for the Fund and the Prime Broker as agent for certain other members of the Prime Broker's groups of companies. The services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities.

The Fund may also utilise the Prime Broker, other Morgan Stanley group companies and other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker is authorised by the Prudential Regulatory Authority (**PRA**) and regulated by the Financial Conduct Authority (**FCA**) and the PRA.

The Prime Broker will also provide a custody service for all the Fund's investments, including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its prime brokerage function in accordance with the terms of the Customer Documents and the rules of the FCA. The Prime Broker may appoint sub-custodians, including other Morgan Stanley group companies, of such investments.

In accordance with FCA rules, the Prime Broker will record and hold investments held by it as custodian in such a manner that the identity and location of the investments can be determined at any time and that such investments are readily identifiable as belonging to a customer of the Prime Broker and are separately identifiable from the Prime Broker's own investments. Furthermore, in the event that any of the Fund's investments are registered in the name of the Prime Broker where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund's best interests to do so or it is not feasible to do otherwise, such investments may not be segregated from the Prime Broker's own investments and in the event of the Prime Broker's default may not be as well protected.

Any cash which the Prime Broker holds or receives on the Fund's behalf will not be treated by the Prime Broker as client money and will not be subject to the client money protections conferred by the FCA's Client Money Rules (unless the Prime Broker has specifically agreed with or notified the Fund that certain cash will be given client money protection). As a consequence, the Fund's cash will not be segregated from the Prime Broker's own cash and will be used by the Prime Broker in the course of its investment business, and the Fund will therefore rank as one of the Prime Broker's general creditors in relation thereto.

As security for the payment and discharge of all liabilities of the Fund to the Prime Broker and any other Morgan Stanley group companies, the investments and cash held by the Prime Broker and each such Morgan Stanley group company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the FCA rules.

Investments and cash may also be deposited by the Fund with the Prime Broker and other members of the Morgan Stanley group of companies as margin and will also constitute collateral for the purposes of the FCA rules. The Fund's investments may be borrowed, lent or otherwise used by the Prime Broker and the Morgan Stanley group companies for its or their own purposes, whereupon such investments will become the property of the Prime Broker or the relevant Morgan Stanley group company and the Fund will have a right against the Prime Broker or the relevant Morgan Stanley group company for the return of equivalent assets. The Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of the Prime Broker or the relevant Morgan Stanley group company, the Fund may not be able to recover such equivalent assets in full.

Neither the Prime Broker nor any Morgan Stanley group company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Customer Documents unless such loss results directly from the negligence, wilful default or fraud of the Prime Broker or any Morgan Stanley group company.

The Prime Broker will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Prime Broker and Morgan Stanley group companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. Ausbil, as responsible entity of the Fund, has agreed to indemnify the Prime Broker and the Morgan Stanley group companies against any loss suffered by, and any claims made against, them arising out of the Customer Documents, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker will not participate in the investment decision-making process of the Fund.

### Standard risk measure

The standard risk measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The standard risk measure is not a complete assessment of all forms of investment risk. For instance, it does not detail the size of the negative return or the potential for a positive return that could be less than you may require to meet your objectives. Further, it does not take into account the impact of fees and tax on the likelihood of a negative return and should not be used to compare fees. You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The following table is used to determine the risk label that applies to the Fund:

<b>Risk band</b>	<b>Risk Label</b>	<b>Estimated number of negative annual returns over any 20 year period</b>
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

We have developed a methodology consistent with the guiding principles outlined by the Financial Services Council and the underlying assumptions are structured to reflect a conservative bias, ie in favour of overstating risk. The methodology applies a set of relevant capital market assumptions (returns, volatility, correlation) to calculate the forward-looking return distribution for the investment strategy of the Fund. The probability of a negative return in any one year is derived and then multiplied by 20 to achieve the estimated number of negative returns over any 20 year period. This number is compared to the table above to identify the risk band and risk label applicable to the Fund.



# 8. 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 account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower 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.

This section shows fees and other costs that 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.

## Fees and cost summary

Ausbil Global Resources Fund		
Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b>		
The fees and costs for managing your investment	1.35% pa of the NAV of the Fund <sup>2,3</sup>	Calculated and accrued daily and paid monthly in arrears out of the assets of the Fund, generally around 15 business days after the end of the month.
<b>Performance fees</b>		
Amounts deducted from your investment in relation to the performance of the product	4.80% pa of the NAV of the Fund <sup>2,4</sup>	20.5% of the difference between the Fund's daily gross return and the return of the Bloomberg AusBond Bank Bill Index, plus a hurdle of 2.00% pa. Calculated and accrued daily and paid out of the assets of the Fund, generally around 15 business days after the end of the month.
<b>Transaction costs</b>		
The costs incurred by the scheme when buying or selling assets	2.57% pa of the NAV of the Fund <sup>5</sup>	Transaction costs generally arise as a result of applications & redemptions and when the value of the assets of the Fund are affected by the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred.

## Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

### Establishment fees

The fee to open your investment	Nil	Not applicable
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### Contribution fee

The fee on each amount contributed to your investment	Nil	Not applicable
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### Buy-sell spread

An amount deducted from your investment representing costs incurred in transactions by the scheme	0.30% of the application amount 0.30% of the withdrawal amount	The buy-sell spread represents estimated transaction costs and is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal.
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### Withdrawal fee

The fee on each amount you take out of your investment	Nil	Not applicable
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### Exit fee

The fee to close your investment	Nil	Not applicable
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### Switching fee

The fee for changing investment options	Nil	Not applicable
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1. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of ITCs or RITCs that are expected to be available to the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred.
2. For certain wholesale clients (as defined in the Corporations Act), Ausbil may, at its discretion and in accordance with ASIC policy and the Corporations Act, negotiate, rebate or waive all or part of Ausbil's fees. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
3. The management fees and costs shown are based on the fees which currently apply and on the costs for the financial year ending 30 June 2023. Please refer to the 'Additional explanation of fees and costs' in this PDS for detailed information on the components and amounts of the management fees and costs.
4. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2023. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. The Fund's performance fee since inception has ranged from 0.00% to 13.83% pa.
5. The transaction costs disclosed in this 'Fees and costs summary' are estimated amounts and are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

## Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Ausbil Global Resources Fund 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.

Example – Ausbil Global Resources Fund	Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1</sup>	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>PLUS</b> Management fees and costs	1.35% pa	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$675</b> each year.
<b>PLUS</b> Performance fees <sup>2</sup>	4.80% pa	<b>And</b> , you will be charged or have deducted from your investment <b>\$2,400</b> in performance fees each year.
<b>PLUS</b> Transaction costs <sup>3</sup>	2.57% pa	<b>And</b> , you will be charged or have deducted from your investment <b>\$1,285</b> in transaction costs.
<b>EQUALS</b> Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs of <b>\$4,360</b> <sup>1,4</sup> <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

1. Assumes that the \$5,000 contribution is made at the end of the year and that the value of the investment is constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.
2. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2023. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. The Fund's performance fee since inception has ranged from 0.00% to 13.83% pa.
3. The transaction costs shown are an estimate of the typical transaction costs, are based on the transaction costs for the financial year ending 30 June 2023 and are net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
4. Additional fees may apply. A buy-sell spread may apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

ASIC provides a calculator, available at [moneysmart.gov.au](http://moneysmart.gov.au), which can be used to calculate the effect of fees and costs on account balances.

Additional fees may apply, including any additional fees incurred by you if you consult a financial adviser. You should refer to your Statement of Advice which details any fees that may be payable for their advice.

## **Additional explanation of fees and costs**

The investment returns of the Fund will be affected by the fees and expenses incurred. Further information on how these fees and costs are calculated is set out below in this section.

Unless otherwise stated, all estimates of fees and costs in this PDS are based on information as at the date of this PDS and reflect Ausbil's reasonable estimate of the typical ongoing amounts for the current financial year. Investors in the Fund typically will not bear any establishment fees, contribution fees, withdrawal fees, exit fees or switching fees.

### **Management fees and costs**

Management fees and costs include the amounts payable for administering the Fund, amounts paid for investing in the assets of the Fund and other expenses and reimbursements in relation to the Fund and investments.

The management fees and costs of the Fund are comprised of a management fee, indirect costs and any recoverable expenses (if incurred).

#### **Management fee**

This is the fee for Ausbil's services as responsible entity in overseeing the operations of the Fund and/or for providing access to the Fund's underlying investments.

Ausbil is entitled to a management fee of 1.35% pa on the NAV of the Fund (inclusive of GST less any RITC entitlement). The management fee is calculated and accrued daily and paid out of the assets of the Fund.

The Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to management fees will be provided on Ausbil's website at [www.ausbil.com.au](http://www.ausbil.com.au) where they are not otherwise required to be disclosed to investors under law.

#### **Indirect costs**

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle (if applicable) in which the Fund invests.

Indirect costs are generally deducted from the assets of the Fund as and when incurred and are reflected in the unit price of your investment in the Fund and include the management fees and costs of interposed vehicles and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

Where the Fund invests in other funds for which Ausbil is the responsible entity, the Responsible Entity will ensure there is no doubling up of management fees or performance fees.

The actual indirect costs that the Fund incurs may differ from the indirect costs disclosed in this PDS.

#### **Expense recoveries**

##### ***Normal expense recoveries***

Ausbil is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) from the assets of the Fund when they are incurred. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by Ausbil from the assets of the Fund.

Unless otherwise indicated, Ausbil has decided not to recover normal expenses from the Fund and will only recover from the Fund abnormal expenses. Therefore, the management fees and costs figure disclosed in the 'Fees and costs summary' in this PDS includes the estimated normal expense recoveries of the Fund of nil.

##### ***Abnormal expense recoveries***

Ausbil may also recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from the Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from the Fund.

The management fees and costs figure disclosed in the 'Fees and costs summary' in this PDS includes the estimated abnormal expense recoveries of the Fund of nil.

## Performance fees

Ausbil is entitled to a performance fee from the Fund. The performance fee is accrued daily, ie reflected in the daily unit price, and paid monthly in arrears at a rate of 20.5% of the difference between the Fund Performance and the Performance Fee Hurdle multiplied by the Fund's NAV.

The Performance Fee Hurdle is the return of the benchmark, Bloomberg AusBond Bank Bill Index, plus a hurdle of 2.00% pa (**Performance Fee Hurdle**).

The Fund Performance is the Fund's daily gross return (after adding back in distributions and redemptions and excluding applications) (**Fund Performance**).

The performance fee is calculated at each Business Day and if a period of underperformance to the benchmark occurs, the performance fee accrued is frozen at its current level and further performance fees may not commence to be accrued again until the full amount of underperformance is recouped. The unit price is reflective of accrued performance fees. If a performance fee has been paid then the management cost of the Fund for the period would increase.

For periods of high outperformance, the performance fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the performance fee.

The full methodology for calculating the performance fee is detailed in the Constitution, a copy of which is available upon request.

## Worked dollar example

The following table provides an example of when a performance fee may be accrued and payable for the Fund based on an investor with a \$50,000 investment in the Fund. The example assumes no other applications or withdrawals have been made. The example performance fees are not a forecast of the actual performance fees that may be payable in any particular financial year as the actual performance fee for the current and future financial years may differ. Ausbil cannot guarantee any particular level of performance fees will be payable or that the performance of the Fund will outperform the Performance Fee Hurdle.

<b>Daily performance fee accrual example</b>	
<b>Daily performance</b>	<b>Based on balance of \$50,000</b>
<b>Day 1</b>	
Assume:	
<ul style="list-style-type: none"> <li>the Fund's gross return for the day was 5.85%;</li> <li>the Performance Fee Hurdle for the day was 0.01%; and</li> <li>the Fund's value for the day was \$50,000</li> </ul>	<p><b>Outperformance return for the day</b></p> <p>= Fund's gross return for the day minus the Performance Fee Hurdle = 5.85% - 0.01% = 5.84%</p> <p><b>Outperformance amount for the day</b></p> <p>= Outperformance return for the day multiplied by the Fund value = 5.84% x \$50,000 = \$2,920.00</p> <p><b>Performance fee amount</b></p> <p>= \$2,920 x 20.5% = \$598.60</p> <p>The performance fee is accrued in the Fund's unit price for the day and deducted directly from the Fund after the end of the month.</p>

**Daily performance****Based on balance of \$50,000****Day 2**

Assume:

- the Fund's gross return for the day was -4.95%;
- the Performance Fee Hurdle for the day was 0.01%; and
- the Fund's value for the day was \$50,000

**Under performance return for the day**

= Fund's gross return for the day minus the Performance Fee Hurdle  
 = -4.95% - 0.01%  
 = -4.96%

**Under performance amount for the day**

= Under performance return for the day multiplied by the Fund value  
 = -4.96% x \$50,000  
 = -\$2,480.00

**Performance fee amount**

Performance fee<sup>1</sup> multiplied by the Fund underperformance for the day  
 = -\$2,480 x 20%  
 = -\$496.00

A negative performance fee amount will not be accrued in the unit price.

The negative performance fee dollar amount will be carried forward and will need to be offset by future positive performance before any performance fee becomes accrued and payable.

1. Excluding GST.

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be.

The performance fee figure disclosed as a separate line item in the 'Fees and costs summary' in this PDS includes the estimated and performance fees 4.80% pa of the NAV of the Fund, which is based on the average fee incurred for all of the financial years in which the Fund was in operation.

**Transaction costs**

Transaction costs are the costs incurred when assets are bought or sold by the Fund, such as brokerage, settlement costs and clearing costs. Transaction costs are reflected in the Fund's unit price. As these costs are factored into the value of the Fund's assets and reflected in the unit price, they are an additional cost to you (where they are not recovered by the buy-sell spread). Please note that the transaction costs shown in the 'Fees and costs summary' are shown net of any amount recovered by the buy-sell spread charged by the Responsible Entity.

The Fund's estimated transaction costs are set out in the table below. The figures are calculated as a percentage of the Fund NAV estimated based on the financial year ending 30 June 2023.

<b>Fund</b>	<b>Total transaction costs</b>	<b>Minus: buy-sell spread recovery</b>	<b>Equals: net transaction costs</b>	<b>Value of net transaction costs on an average account balance of \$50,000 invested in the Fund</b>
Ausbil Global Resources Fund	2.84%	0.27%	2.57%	\$1,285

The Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future.

**Buy-sell spreads**

A buy-sell spread is an amount deducted from the value of a unitholder's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or withdrawal. It is not a service fee and is retained in the assets of the Fund to mitigate the impact to ongoing investors from the costs of transaction activity driven by applications and withdrawals.

An estimate of the buy-sell spread applicable to applications and redemptions from the Fund is +0.30%/-0.30%.

The buy-sell spread cost to you is based on the transaction value. For example, if you made an application of \$50,000 into the Fund you would pay \$150 (\$50,000 x 0.30%).

In estimating the buy-sell spread, Ausbil has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Ausbil to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations.

The buy-sell spread is not a service fee charged by Ausbil and it is not subject to GST. No part of the buy-sell spread is paid to Ausbil – the amount is retained in the assets of a Fund to protect ongoing investors from the transaction activity driven by applications and withdrawals.

The size of the buy-sell spread may, subject to law, be varied from time to time without prior notice, to ensure that non-transacting investors are not adversely affected by applications or withdrawals made by other investors. For example, a different amount or estimate may apply when brokerage costs or the difference between the bid and offer prices for assets change. In stressed and dislocated market conditions, the buy-sell spread may increase significantly.

The buy-sell spread can be changed at any time by us. The Responsible Entity will provide notification to unitholders of any changes to buy-sell spread transaction costs at [www.ausbil.com.au](http://www.ausbil.com.au).

Reinvested distributions do not incur the buy-sell spread.

A copy of Ausbil's Unit Pricing Discretions Policy, including details of any discretions that Ausbil may exercise in various circumstances (including in respect of transaction costs) is available at [www.ausbil.com.au](http://www.ausbil.com.au).

### **Units in lieu**

Ausbil may receive units in lieu of all or part of any management fee (plus GST) charged to the Fund. Any such units will be issued at the application price and Ausbil will subsequently redeem the units at the redemption price.

### **Can fees be different for different unitholders?**

For wholesale investors Ausbil may, in its discretion and, in accordance with relevant ASIC policy and the Corporations Act, negotiate and agree a rebate or waiver of part of the fee to a person who acquires an interest in the Fund in response to an offer made to them as a wholesale client within the meaning of section 761G of the Corporations Act. Any fee rebate or waiver is subject to Ausbil determining that the giving of the rebate or waiver satisfies, or continues to satisfy, the requirements of ASIC policy and the Corporations Act. For further information about differential fees, please contact Ausbil.

### **mFund brokerage fees**

Additional fees may also be payable directly to your ASX broker (or your financial adviser who uses a stockbroking service on your behalf) for using mFund and investors should consider the financial services guide provided by your ASX broker (or adviser).

### **Financial advisers and Indirect Investors**

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

Indirect Investors accessing the Fund through an IDPS may incur additional fees and costs. As well as reading this PDS, Indirect Investors should read their IDPS operator's offer document, which explains the fees payable by the Indirect Investor to the IDPS operator.

### **Third party payments**

Ausbil may provide benefits to other financial services intermediaries where the law permits. If Ausbil does, it will provide these benefits from our own resources so that they are not an additional cost to the Fund or its unitholders.

Ausbil may also sponsor professional development days and training. If permitted by law, Ausbil may pay rebates, based on the amount of funds under management or operating expenses, to IDPS operators, dealer groups and financial advisers.

Ausbil may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by Ausbil and not by the Fund. It is not charged out of the assets of the Fund and is not an additional charge to unitholders.

## **Changing the fees**

Under the Corporations Act, Ausbil may change the amount of any fees in this PDS (including increase fees up to the maximum set out in the Constitution). Ausbil may increase fees at its discretion. However, Ausbil will provide 30 days' written notice in advance of any proposed increase in its fees.

In accordance with the Constitution and subject to law, Ausbil may vary the amount of abnormal expense recoveries and the buy-sell spread at any time without your consent or notice.

Ausbil cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need unitholders' approval to increase the fee maximums in the Constitution).

### **Maximum fees**

#### ***Management fee***

The maximum management fee for the Fund is 3.00% (exclusive of GST and RITC) per annum of the Fund's gross asset value (**GAV**).

#### ***Performance fee***

20% (exclusive of GST and RITC) of the difference between the Fund's gross performance and the performance fee hurdle, the Bloomberg AusBond Bank Bill Index, multiplied by the Fund's GAV.

### **GST**

Unless otherwise stated, all fees and costs are quoted inclusive of any GST, net ITCs or RITCs as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.

# 9. How managed investment schemes are taxed

The tax information provided below is intended to be a brief guide only and should not be relied upon as a complete statement of the Australian income tax laws. Discussion of Australian tax law is current as at the date of preparation of this PDS. As Australian tax law is complex and may change, all potential investors should satisfy themselves of possible consequences by consulting their own professional tax advisors.

**WARNING:** Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

The Fund generally distributes or allocates all of its income each year so that the Fund itself is not subject to tax. As a unitholder you will be assessed for tax on your share of the taxable income generated by the Fund, including any net realised capital gains. The Fund does not pay tax on behalf of Australian unitholders.

There are tax implications when investing, withdrawing and receiving income from the Fund. The Responsible Entity cannot give tax advice and the Responsible Entity recommends that you consult your professional tax adviser as the tax implications for the Fund can impact unitholders differently. What follows is a general outline of some key tax considerations for Australian resident unitholders. This information is based on our current interpretation of the relevant taxation laws. As such, unitholders should not place reliance on this as a basis for making their decision as to whether to invest.

We strongly advise that you obtain your own professional tax advice regarding your position, as tax laws are complex and subject to change, and unitholders' individual circumstances vary.

Income earned by the Fund, whether distributed or reinvested, can form part of the assessable income for unitholders in the year of entitlement or allocation. The composition of distributions can be made up of assessable income (such as dividends, interest and other assessable income), net realised capital gains (including CGT concession amounts, if any), tax credits, such as franking credits attached to dividend income and foreign income tax offsets and/or non-taxable distribution such as return of capital or tax-deferred amounts. If franking credits or foreign income tax offsets are included in your distribution, you must determine your entitlement based on your individual circumstances.

Further, the timing of when the Fund's income is brought to account for tax purposes may be different to when amounts are distributed to you, so that you may be required to pay tax on income that has not yet been or may not be distributed to you.

For each year ending 30 June the Responsible Entity will send to you the details of assessable income, foreign income, tax credits and any other relevant tax information to include in your tax return.

On your application form you may provide the Responsible Entity with your Tax File Number (**TFN**), TFN exemption or an Australian Business Number (**ABN**). It is not compulsory for you to quote a TFN, TFN exemption or ABN, but if you do not then the Responsible Entity is required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable Government charges. The Responsible Entity is permitted to collect TFNs under relevant tax law.

## Applications and withdrawals

If you acquire units part way through a distribution period, that amount of accumulated income which is included in the unit price for the units acquired will eventually be distributed to you as income. Depending on your tax circumstances, this could result in you receiving assessable income, and on disposal of units, generating a capital loss of a similar amount. However, the capital loss cannot be offset against that income - it can only be offset against your realised capital gains.

If you withdraw units part way through a distribution period, the value of accumulated income is included in your withdrawal price. The Responsible Entity will advise you what part (if any) of the proceeds on withdrawal reflect your share in the net income of the Fund and therefore is assessable income for tax purposes. The balance reflects the capital proceeds on disposal and may, dependent upon your tax circumstances, be subject to the capital gains tax (**CGT**) provisions.

Your assessable income for each year may include net realised capital gains (ie after offsetting capital losses). This will include capital gains made upon withdrawing units from the Fund.



Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to units which are held for at least 12 months.

If you hold your units on revenue account, gains and losses will be taxable as ordinary income or allowed as a deduction, as the case may be, and will not qualify for the CGT discount.

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

The Responsible Entity is required to identify and report on tax residents of a country or countries other than Australia in order to meet account information reporting requirements under domestic and international laws. If at any time after account opening, information in our possession suggests that you, or any entity or individual that holds ownership and/or control in a unitholder (**Controlling Person**) may be a tax resident of a country or countries other than Australia, you may be contacted to provide further information. Failure to respond may lead to certain additional reporting requirements applying to the account.

By completing the Tax Information Form, as part of your application, you certify that if at any time there is a change to the foreign tax status details for you and/or any Controlling Person, you will inform us. You also certify that if at any time there is a change of a Controlling Person or beneficial owner in your entity, you will inform us.

### **GST**

The application for and withdrawal of units in the Fund and receipt of distributions will not be subject to GST. However, GST is payable on our fees and certain reimbursement of expenses. The Fund may be able to claim input tax credits and/or RITCs of at least 55% of the GST incurred.

Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable ITCs and RITCs.

# 10. How to apply

## Initial investment

### 1. Read the PDS and TMD

Before completing the application form(s) please ensure you have read this PDS and the Target Market Determination for the Fund.

### 2. Complete the application form(s)

The application form(s) is available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

### 3. Make payment

Make payment of monies in accordance with the payment options provided on the application form(s), available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

### 4. Submit documents

Submit the application form(s). Please follow the instructions provided on the application form(s).

### 5. Documents received

Upon receipt of confirmation of your initial investment in the Fund you can then start to make additional investments into the Fund.

The PDS, TMD and application form(s) are available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

**Please note:** To address money laundering and terrorism risks, verification of each unitholder's identity is a prerequisite for all new unitholders. If the Responsible Entity does not receive all valid documents with your application form(s) or the Responsible Entity is unable to verify your identity at any time, the Responsible Entity may not be able to process your application for an investment or may not process any future withdrawal requests. Where a transaction is delayed, blocked, frozen or refused, the Responsible Entity is not liable for any loss you suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to the Fund.

If you are an Indirect Investor investing via an IDPS you must complete the documentation which your IDPS operator requires.

## Identification and verification requirements

The AML/CTF Act requires the collection and verification of specific information from investors, including information in relation to the underlying beneficial owners of an investor or potential investor and the source of any payment. As well as completing the application form(s), you may also be required to provide documentation to verify your identity. The actual documentation required will depend on what type of investor you are (for example, individual, sole trader, superannuation fund, trust or Australian company and is explained during the application process.

Under relevant laws, the Responsible Entity may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, either when the Responsible Entity is processing your investment request or at some stage after the Responsible Entity has issued units in the Fund, and may need to re-verify information previously provided. The Responsible Entity may pass any information it collects and holds about you or your investment to relevant government authorities. Further, under the AML/CTF Act, the Responsible Entity is required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing you of such disclosure.

If the Responsible Entity does not receive all the required valid customer identity verification documents, or it is unable to verify your identity at any time, it may not be able to commence your investment or may not process any future withdrawal requests until it receives the required document(s). The Responsible Entity will contact you as soon as possible if it requires more information. Where a transaction is delayed, blocked, frozen or refused, the Responsible Entity is not liable for any loss you suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to the Fund.

## **Additional investments**

If you want to make an additional investment in the Fund please complete an Additional Investment Form available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

Your instruction should either be emailed or mailed to the Administrator. Please follow the instructions provided on the Additional Investment Form. The written instruction must be signed by you as the unitholder (or the authorised signatories) and should specify your name, account number, Fund name and the amount to be invested.

## **How to invest using mFund**

While the Fund is admitted as an mFund product, investors will be able to make an initial and/or additional investment in the Fund through mFund using their broker. For more information about mFund visit the ASX website [www.asx.com.au/mfund/index.htm](http://www.asx.com.au/mfund/index.htm).

## **Cooling-off**

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when your transaction confirmation is received by you or, if earlier, 5 Business Days after your units are issued. The Responsible Entity is allowed to (and generally does) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. This may result in you receiving back less than you originally invested. You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform the Responsible Entity in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

## **Investor communication**

As a unitholder in the Fund, you will receive the following reports:

### **Confirmations**

You will receive confirmations of all your application(s) and withdrawal(s).

### **Distribution statement**

You will receive a distribution statement for each period that the Fund makes a distribution to unitholders.

### **Tax and annual statements**

Taxation statements will be provided to you annually for the year ending 30 June. You will also be provided with an annual periodic statement which contains your transaction history for the year ending 30 June.

## **Keeping you informed**

### **Online access to your investment account**

You can access information about your investment in the Fund by logging onto Investor Online: a secure client website with access restricted by client ID and password.

Information on the site includes:

- your account balance;
- your transaction history;
- unit prices;
- performance returns;
- distribution statements; and
- year-end tax statements.

In completing the application form you will automatically receive online access (unless you elect otherwise). Investors who wish to register for Investor Online will receive an email containing a secure link to the registration page of the Investor Online website ([www.ausbil.com.au](http://www.ausbil.com.au)).

### **Audited financial statements**

Audited financial statements of the Fund are issued annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act or under the Constitution. The audited financial statements are made available to unitholders at [www.ausbil.com.au](http://www.ausbil.com.au). A hard copy may be requested free of charge by contacting the Responsible Entity. Audited financial statements will not be mailed to unitholders unless specifically requested.

### **Continuous disclosure**

The Fund is subject to regular reporting and disclosure obligations under the Corporations Act. Ausbil will satisfy its continuous disclosure requirements via web-based disclosure on the basis of ASIC's best practice disclosure recommendations for continuous disclosure. To keep informed of important information and updates relating to the Fund, visit [www.ausbil.com.au](http://www.ausbil.com.au) for further information which should be read in conjunction with this PDS, including:

- Fund updates; and
- Unit prices, performance and asset allocations.

The Responsible Entity recommends that you obtain and review such information before you invest. Alternatively, you can call Ausbil on 1800 287 245 (toll free) and the Responsible Entity will send you the requested information free of charge. The Fund's Constitution is also available upon request. If you are unsure as to any aspect relating to the Fund, Ausbil recommends that you consult your financial or other professional adviser. Indirect Investors should contact their IDPS operator.

The Fund is currently a disclosing entity as defined by the Corporations Act. As a 'disclosing entity' (generally this is where the Fund has 100 investors or more) the Fund is subject to regular reporting and disclosure obligations.

In addition, you have the right to receive the following documents at no charge:

- the annual financial report most recently lodged with ASIC;
- any half-year financial report lodged with ASIC by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of this PDS.

Copies of documents lodged with ASIC in relation to the Fund are able to be obtained from, or inspected at, an ASIC office. All continuous disclosure information is available at [www.ausbil.com.au](http://www.ausbil.com.au).

### **Keeping us informed**

Our records about you are important. Please inform the Administrator in writing of any change to the personal details that you have given us. This may be a new postal address, email address, or a change of name or new bank account details. When requesting a change of personal details please complete the Change of Details Form or provide:

- your account number;
- the full name(s) in which your investment is/are held;
- the change(s) you are requesting;
- a daytime telephone number;
- email address; and
- ensure the request is signed by the appropriate signatories.

Some changes may also require additional documentation, such as a change of name request. If you wish to change your nominated bank account to which withdrawal payments are made, you will be required to complete the Change of Details Form or the relevant sections of the Additional Investment Form and the relevant Client Identification Form, and send the original form and documents to the Administrator. These forms include the Administrator's contact details and are available at [www.ausbil.com.au](http://www.ausbil.com.au).

## Complaints

If you are a direct investor and have notified the Responsible Entity of a complaint in writing and you are not satisfied with how the complaint has been handled, you can refer your complaint to the Australian Financial Complaints Authority (**AFCA**).

The Responsible Entity is a member of AFCA (member number 10182) which is an external dispute complaints resolution scheme approved by ASIC.

**Mail:** Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

**Phone:** 1800 931 678

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

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

AFCA's services are generally only available to 'retail clients' (as defined in the Corporations Act). Indirect Investors may contact their IDPS operator if they wish to make a complaint or if they are unsatisfied with how a complaint has been handled. However, Ausbil's complaints process is also available to indirect investors.

# 11. Other information

## Consents

Citigroup Pty Limited (ABN 88 004 325 080) (Citi) has provided its consent to the statements about it in the form and context in which they are included. Citi was not involved in the preparation and distribution of this document and not responsible for the issue of this document, nor is it responsible for any particular part of this document. Citi has not withdrawn its consent before the date of this document.

Morgan Stanley & Co. International plc consents to being named in this PDS as the Prime Broker in the form and context in which it is each named. Morgan Stanley & Co. International plc. is not responsible for the preparation of, and has not authorised or caused the issue of, this PDS, and has not made or purported to make any statement included in or any statement on which a statement in this PDS is based.

New York Life has given and has not withdrawn its consent to its name appearing in this PDS of the Fund and to references and statements in this PDS concerning New York Life in the form and context in which they are included. Other than the consent provided, New York Life does not take any responsibility for any other part of this PDS and has not authorised or caused the issue of this PDS.

New York Life Investments has given and has not withdrawn its consent to its name appearing in this PDS of the Fund and to references and statements in this PDS concerning New York Life Investments in the form and context in which it is included. Other than the consent provided, New York Life Investments does not take any responsibility for any other part of this PDS and has not authorised or caused the issue of this PDS.

## Privacy

The Responsible Entity must comply with the Privacy Act. This Act generally regulates the collection, storage, quality, use and disclosure of personal information. The Responsible Entity may collect personal information from investors to provide its products and services. The Corporations Act and AML/CTF Act require the Responsible Entity to collect some personal information about you.

The Responsible Entity will need to collect personal information from you in order to process your investment and provide services to you. We may also need to disclose your personal information collected to third party service providers in order to carry out these activities. If you do not want us to use your personal information for direct marketing purposes please contact the Privacy Officer at the address set out below.

We aim to ensure that the personal information the Responsible Entity retains about you is accurate, complete and up-to-date. To assist the Responsible Entity with this, please contact the Responsible Entity if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information the Responsible Entity has about you, it will take steps to correct it. In accordance with the Responsible Entity's Privacy Policy, in most cases, investors also have rights to access their personal information.

The Responsible Entity may disclose your personal information to anyone you have authorised or any adviser, consultant or dealer group advising you or acting on your behalf, government departments or agencies as well as any related entities of the Responsible Entity and anyone acting on its and/or the adviser/consultant/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist the Responsible Entity and/or the adviser/consultant/ dealer group in providing financial services.

If we are not able to collect all the personal information we require, we may not be able to assess your application for the investment product or manage the product. The Responsible Entity may be required to transfer your personal information to entities located outside of Australia where it may not receive the level of protection afforded under Australian law. By completing the application form you consent to your personal information being transferred overseas for these purposes. Please note that if you provide personal information to the Responsible Entity about another person, you warrant that you are authorised by that person to do so and that you have informed that person of the information in this Privacy section.

Please contact the Responsible Entity's Investor Services Team on 1800 287 245 (toll free) if you want to change or correct personal details. It is important that you contact us because until you do so the Responsible Entity will assume that by investing in the Fund, you have consented to our using your personal information as indicated above. A copy of the Responsible Entity's Privacy Policy is available at [www.ausbil.com.au](http://www.ausbil.com.au) or may be obtained from the Ausbil Privacy Officer.

Further information on how the Responsible Entity handles personal and sensitive information can be found in the Privacy Policy. The Privacy Policy also contains information about how you can access and correct the information about you held by the Responsible Entity as well as how complaints may be made and how the complaint will be dealt with by it.

The Responsible Entity is subject to mandatory data breach reporting obligations. If an eligible data breach occurs, we will notify the Office of Australian Information Commissioner and any affected individuals of the event where required under these obligations. If you are investing in the Fund via an IDPS, please be aware that the Responsible Entity does not collect or hold personal information in connection with an investment in the Fund.

If you have further questions about privacy, please write to us or contact us at:

**Mail:** Privacy Officer  
Ausbil Investment Management Limited  
GPO Box 2525  
Sydney NSW 2001 Australia

**Telephone:** 1800 287 245 (toll free) or  
+61 2 9259 0200 (if calling from outside Australia)

**Email:** [contactus@ausbil.com.au](mailto:contactus@ausbil.com.au)

## Indirect Investors

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors of an IDPS or IDPS-like scheme (known commonly as a master trust or wrap account). These investors are referred to as Indirect Investors. Indirect Investors in the Fund do not themselves become unitholders in the Fund, and accordingly have no rights as a unitholder. The offer document for your IDPS or IDPS-like scheme should have further details. If you are an Indirect Investor, generally the IDPS or IDPS-like scheme operator acquires the rights of a unitholder. Your rights and liabilities will be governed by the terms of the relevant IDPS or IDPS-like scheme disclosure document, which you should read carefully prior to directing the relevant operator to invest in the Fund.

Indirect Investors complete application forms for the IDPS or IDPS-like scheme, not the Fund, and receive reports from their operator. Enquiries should be directed to that operator or your financial adviser. Minimum investment and withdrawal requirements may not always be relevant to Indirect Investors because the IDPS or IDPS-like scheme operator may invest on behalf of a number of Indirect Investors. Also, the tax information in this PDS does not specifically cater for Indirect Investors.

## How the Fund is governed

The Fund is governed by the Constitution. The Constitution (in addition to the Corporations Act and general law) provides an operational framework for the ongoing management of the Fund. It also provides for the Responsible Entity's powers, duties and obligations in respect of the Fund, the limits to our liability and our right to be indemnified for proper administration of the Fund.

### The Constitution

The Constitution contains the rules relating to a number of issues including:

- unitholder rights;
- the process by which units are issued and may be withdrawn;
- the calculation and distribution of income;
- the investment powers of the Responsible Entity;
- the Responsible Entity's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- the creation of other classes of units; and
- the termination of the Fund.

The Constitution also contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts. A copy of the Constitution, which has been lodged with ASIC, is available free of charge by contacting the Responsible Entity.

### **Termination**

The Constitution, together with the Corporations Act, governs how and when the Fund may be terminated. The Responsible Entity may terminate the Fund at any time by written notice to unitholders. On termination, a unitholder is entitled to a share of the net proceeds of the realisation of the assets in proportion to the number of units the unitholder held at the time of termination.

### **Unitholder meetings**

The conduct of unitholder meetings and unitholders' rights to requisition, attend and vote at those meetings are subject to the Corporations Act and (to the extent applicable) the Constitution.

### **Compliance plan and compliance committee**

The Fund has a compliance plan which has been lodged with ASIC (**Compliance Plan**). It sets out measures that the Responsible Entity is to apply in operating the Fund to ensure compliance with the Constitution. A compliance committee has been appointed to monitor compliance by the Responsible Entity with the Constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting the Responsible Entity.



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