

# ADDITIONAL INFORMATION TO THE PRODUCT DISCLOSURE STATEMENT



## Munro Concentrated Global Growth Fund

Class A Units | ARSN 630 173 189

21 July 2021



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### Contact details

#### Responsible Entity

GSFM Responsible Entity Services Limited  
Level 19  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000  
[www.gsfm.com.au](http://www.gsfm.com.au)

#### Investment Manager

Munro Partners  
Level 19, 80 Collins Street  
Melbourne VIC 3000  
[www.munropartners.com.au](http://www.munropartners.com.au)

#### Mailing Address

Mainstream Fund Services -  
Unit Registry  
GPO Box 4968  
Sydney NSW 2001

#### Client Service

[registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)  
Phone 1300 133 451

### Read this

**!** The information in this document forms part of the Product Disclosure Statement (PDS) for the Munro Concentrated Global Growth Fund (ARSN 630 173 189) ABN 22 569 402 276 APIR Code GSF9808AU (Fund); dated 31 October 2019, offered by GSFM Responsible Entity Services Limited (GRES). **You should read this information together with the PDS before making a decision to invest into the Fund.** Terms in this document have the same meaning as in the PDS, except where implied otherwise. Where relevant, references in this document to the 'PDS' means both the PDS and this document.

Unless identified to the contrary, all references to monetary amounts are to Australian dollars.

This document is issued by GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517, the responsible entity for the Fund (**GRES, Responsible Entity, we, us, ours**).

GRES has appointed the general partnership, which trades as Munro Partners, as investment manager of the Fund. Each of the partners of Munro Partners has been appointed as an authorised representative of Munro Asset Management Limited ABN 28 163 522 254 AFSL 480509 (**Munro Asset Management**).

This additional information is general information only and does not take into account your personal objectives, financial situation or needs. You should obtain a copy of the PDS and consider the appropriateness of the information in this document and the PDS having regard to your personal objectives, financial situation and needs before acting on the information contained in this document and the PDS.

You can obtain a copy of the PDS on our website or request a copy free of charge by calling 1300 133 451.

# 1. ABOUT GSFM RESPONSIBLE ENTITY SERVICES LIMITED

## The Responsible Entity

There is no additional information for this section. Refer to the PDS.

## Investment Manager

Munro Partners' (**Munro** or **Investment Manager**) investment philosophy focuses on identifying and investing in companies that have the potential to grow at a faster rate and more sustainable basis than the overall market.

The philosophy is based on three overriding principals:

### 1. Earnings growth drives stock prices

Companies that consistently earn more than the year before are generally rewarded with higher stock prices over time.

### 2. Sustained earnings growth is worth more than cyclical earnings growth

Consistent growth, independent of cyclical factors and above the peer group, is generally valued at higher multiples than otherwise.

### 3. The market will often misprice growth and its sustainability

Consensus earnings estimates often underestimate growth, while pegging to market multiples will often underestimate the sustainability and cash generation capacity of that growth, allowing opportunities to invest in stocks well below their intrinsic value.

Key investment ideas are screened through a combination of clear and defined quantitative and qualitative tests to build a portfolio of high conviction investments.

Further information on Munro and its team, please visit [www.munropartners.com.au](http://www.munropartners.com.au).

# 2. HOW THE MUNRO CONCENTRATED GLOBAL GROWTH FUND WORKS

Details of how to make your initial investment are outlined in Section 8 'How to apply' of the PDS. Once you have made your initial investment in the Fund you can make one off additional investments and/or regular monthly investments using the regular monthly investment plan.

## Making an additional application

You can add to your investment at any time by mailing, emailing or faxing us an Additional Application Form, which can be downloaded from our website, or by sending us your written instructions with your cheque marked not negotiable and made payable to: **'Munro Concentrated Global Growth Fund - Name of Applicant'**.

Or you may pay by direct debit or electronic funds transfer (EFT).

If you are paying by direct debit, we require you to complete and sign the Direct Debit section of the Additional Application Form. This provides us with the authority to debit your account. Please ensure you have read the terms of the Direct Debit Service Agreement which follows in Section 9 of this booklet. It may take up to three business days for your application monies to clear from the date we issue a direct debit request to your bank. We will not issue units until your application monies have cleared. Direct debit requests can only be made from an Australian bank account.

If paying by EFT, please indicate your name (or part of your name) in the EFT description and deposit the application money to the following account:

Bank: National Australia Bank  
BSB: 082-401  
Account name: Munro Concentrated Global Growth Fund Application Account  
Account number: 540-437-051

The minimum additional investment is \$5,000.

Please ensure that applications are either sent to the Mainstream Fund Services - Unit Registry address referred to in the PDS, faxed to (02) 9251 3525 or emailed to [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com).

We accept no responsibility for applications that have been sent to an incorrect address. You are responsible for ensuring that you use the correct contact details.

The cut-off time each business day for receiving an application request is 2pm Sydney time. If we receive your application request by 2pm Sydney time we will process the transaction using that day's unit price. Requests received on or after the cut-off time or on a non business day will generally be effective the next business day.

## About your application money

Application money will be held in a bank account until invested in the Fund or returned to you. Monies will generally be held for a maximum period of one month commencing on the date we receive the monies. Any interest paid on that account will be paid to the Fund and not to you regardless of whether your application is successful. Once we receive your completed application form, the monies held will be divided by the next determined unit price to calculate the number of units allocated to you.

## Incomplete or rejected application forms

We are not bound to accept an application and we accept no responsibility for applications that have been sent to an incorrect address or for funds that are paid to an incorrect account. You are responsible for ensuring that the Application Form is completed correctly and that you use the correct contact details. Your application may be delayed or not processed if you: do not provide the information requested; or provide us with incomplete or inaccurate information; or send your application to an incorrect address.

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

## Regular monthly investment plan

The regular monthly investment plan enables you to open an account to invest in the Fund with a lower initial investment amount and then to invest regular additional investment amounts each month via direct debit from a nominated account. The minimum initial investment if you participate in a regular monthly investment plan is \$10,000 with a minimum ongoing monthly contribution of \$200. To start a regular monthly investment plan, complete the relevant sections of the Application Form which includes an authority to directly debit the contributions from your nominated bank account. Direct debits will be processed on the first business day following the 19th calendar day of each month.

You can amend, suspend or cancel your regular monthly investment plan at any time. You should ensure that we receive your instructions to amend, suspend or cancel your regular monthly investment plan at least 14 days before the 19th calendar day of the month in which you wish your instructions to take effect.

## Amending your investor details

To amend any details in regard to your investment please send us your written instructions (or Change of Details Form) signed by the appropriate authorised signatory(ies). If we cannot satisfactorily identify you as the investor, we may either reject and refuse to process, or delay making the requested change(s) until we can confirm that the amendment instruction we have received is valid.

You may either mail, email or fax changes relating to your account with the exception of changes relating to your nominated bank account which we require to be sent by mail. To enable us to verify that the bank account is in the name of the investor please include either a copy of the bank statement or a deposit slip for the new account.

## Privacy and your personal information

The Application Form available from [www.gsfm.com.au](http://www.gsfm.com.au) requires you to provide personal information. GSFM Responsible Entity Services Limited (**GRES**), its service providers or the Fund may collect, hold and use your personal information in order to assess your application, service your needs as an investor and provide facilities and services to you, and for other purposes permitted under the Privacy Act 1998 (Cth) and the Australian Privacy Principles (**APPs**). Other legislation, including AML/CTF Law, the Corporations Act and the *Income Tax Assessment Act 1936* (Cth), may also require some of the information to be collected in connection with your application.

If you do not provide the information requested or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all. Your information may be disclosed to your financial adviser (if any) and to GRES's agents (including the Investment Manager) and service providers on the basis that they deal with such information in accordance with the privacy policy of GRES.

We do not currently directly disclose your personal information overseas, though our service providers may disclose this to their overseas affiliates. For more information, please review our privacy policy, available at [www.gsfm.com.au/privacy-policy/](http://www.gsfm.com.au/privacy-policy/).

A copy of the registry provider Mainstream Fund Services' Privacy Notice can be accessed at <https://www.mainstreamgroup.com/mbpo/Privacy-Notice>.

If you have any concerns about the completeness or accuracy of the information we have about you or would like to access or amend your personal information held by the Responsible Entity (or its registry provider) please contact Mainstream Fund Services by:

Phone: 1300 133 451  
Or by mail: GPO Box 4968  
Sydney NSW 2001  
Or by emailing [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com).

Our privacy policy, available at [www.gsfm.com.au/privacy-policy/](http://www.gsfm.com.au/privacy-policy/) contains information about how you may complain about a breach of the APPs and how we will deal with this complaint.

## Anti-Money Laundering & Counter Terrorism Financing Act 2006

We are required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) and relevant rules and regulations (**AML/CTF Law**). This means that we will require you to provide personal information and documentation in relation to your identity when you invest in the Fund. We may need to obtain additional information and documentation from you to process your application or subsequent transactions or at other times during your investment.

We may need to identify:

- an investor (including all investor types noted on the application form) prior to purchasing units in the Fund. We will not issue units until all relevant information has been received and your identity has been satisfactorily verified;
- your estate - if you die while you are the owner of units in the Fund, we may need to identify your legal personal representative prior to redeeming units or transferring ownership; and
- anyone acting on your behalf, including your power of attorney.

In some circumstances, we may need to re-verify this information and may be obliged under AML/CTF Law to disclose such information and documentation to Australian regulatory and/or law enforcement agencies.

By applying to invest in a Fund, you also acknowledge that we may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of units in the Fund, if we are concerned that the request or transaction may breach any obligation of, or cause us, the Responsible Entity, to commit or participate in an offence under, any AML/CTF Law, and we will incur no liability to you if it does so.

If you have any questions about our requirements, please contact Mainstream Fund Services on 1300 133 451 or by email to [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com).

## Making a withdrawal

You may redeem some or all of your units by either mailing, emailing or faxing a completed and signed Withdrawal Form, which can be downloaded from our website, or by sending us your written instructions. The minimum withdrawal amount is \$5,000 or your investment balance if it is less than \$5,000.

Requests to withdraw must be signed by the appropriate authorised signatory(ies). If we cannot satisfactorily identify you as the redeeming investor, we may either reject and refuse to process, or delay your withdrawal until we can confirm that the withdrawal instruction we have received is valid. Your instruction will be treated as not being received until we have been able to confirm that it is valid.

Please ensure that withdrawal requests are either sent to Mainstream Fund Services - Unit Registry, GPO Box 4968, Sydney NSW 2001 or faxed to (02) 9251 3525 or emailed to [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com).

We accept no responsibility for withdrawal requests that have been sent to an incorrect address or fax number. You are responsible for ensuring that you use the correct contact details and accept that if you use incorrect address details your withdrawal request may be delayed or not processed.

The cut-off time each business day for receiving a withdrawal request is 2pm Sydney time. If we receive your withdrawal request by 2pm Sydney time we will process the transaction using that day's unit price. Requests received on or after the cut-off time or on a non business day will generally be effective the next business day.

If you are an indirect investor, please follow the instructions of the master trust or wrap account (**IDPS**) operator on how to make a withdrawal from the Fund.

## Instructions received via email and facsimile

By instructing us by email or fax you acknowledge that GRES and Mainstream Fund Services are entitled to rely on, and you will be liable for, any instruction received by email or fax which appears to be duly authorised by you. It is expected that these services will allow you to manage your investment more efficiently, though by transacting in this way you acknowledge that there is an increased risk of fraud and you release us from, and agree to reimburse us for, any losses and liabilities arising from the payment or action taken by GRES or Mainstream Fund Services (acting reasonably) provided that we have acted without fraud or negligence.

## Transferring units

You can transfer your units to a third party by completing a standard transfer form, which can be obtained from your financial adviser or by calling Mainstream Fund Services on 1300 133 451 and sending it to us together with an Application Form and AML/CTF identification form and documents completed and signed by the party to whom you are transferring units. We require original copies of standard transfer forms to be mailed to us. We reserve the right to refuse a request to transfer units.

As a transfer of units involves a disposal of units it may have tax implications. There may also be stamp duty payable. You should obtain tax and stamp duty advice before requesting a transfer.

## Restrictions on withdrawing your investment

There may be circumstances when your ability to withdraw from the Fund is restricted. Please read the following further information on restrictions on withdrawals in conjunction with reading the PDS.

No withdrawals, or payment of withdrawal proceeds shall be permitted where issue or redemption of units is suspended. Withdrawals may be suspended for up to 120 days including where:

- a) it is impracticable for us, to calculate the Net Asset Value of the Fund for example, because of financial market disruptions or closures;
- b) the Fund's investments suspend, delay or restrict the redemption, issue or payment of withdrawal proceeds (as applicable) or we are unable to provide a withdrawal price;
- c) we reasonably estimate that we must sell 5% or more (by value) of all assets of the Fund to meet current unmet withdrawal requests;
- d) the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in our opinion, result in remaining unit holders bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or decrease in the value of the assets of the Fund;
- e) we reasonably consider it to be in the interests of unit holders; or
- f) it is otherwise legally permitted.

## If the Fund becomes illiquid

If the Fund becomes illiquid (as defined in the Corporations Act), units may only be withdrawn if we make a withdrawal offer to all unit holders in the Fund in accordance with the Fund's Constitution and the Corporations Act.

Under the Corporations Act, a Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets typically include money in an account or on deposit with a bank, bank accepted bills, marketable securities and property of the kind prescribed under the Corporations Act. At the date of this PDS, the Responsible Entity expects that the Fund will be liquid under the Corporations Act.

## Valuations

Units will typically be priced each business day by the Responsible Entity except where the calculation of the Net Asset Value of the Fund is suspended for reasons such as when withdrawal requests or other transactions are suspended. Please refer to 'Restrictions on withdrawing your investment' in this section 2 for more information.

Unit prices will be available daily at [www.gsfc.com.au](http://www.gsfc.com.au) or by telephoning 1300 133 451. You can obtain a copy of our Unit Pricing Discretions Policy, free of charge, by calling 1300 133 451.

## Indirect investors

If you invest in the Fund through a master trust or wrap account (**Indirect Investor**) you do not become a unit holder in the Fund and do not have the rights of a unit holder or acquire any direct interest in the Fund. The operator or manager of the IDPS becomes a unit holder and acquires these rights and may exercise these rights as they see fit.

## Application Form

If you are investing in the Fund through an IDPS do not complete the Application Form accompanying this PDS. Indirect Investors should complete the application form supplied by the operator of the IDPS.

## Reporting

You will not receive statements, tax information or other information directly from us. You should receive equivalent information from the operator of the IDPS.

## Withdrawals

Provisions which relate to withdrawals from the Fund will apply to the operator of the IDPS and not to you, the Indirect Investor.

## Fees and costs

Fees and costs applicable to the IDPS (and set out in the IDPS offer document or client agreement) are payable in addition to the fees and costs stated in this PDS.

## Tax

The description of taxation consequences of investing in the Fund, in Section 7 'How managed investment schemes are taxed' of the PDS and Section 7 'How managed investment schemes are taxed' of this Additional Information to the Product Disclosure Statement, does not consider the treatment of Indirect Investors. You should consult your tax adviser in relation to investing through an IDPS.

## Cooling off

Indirect Investors should consult their IDPS operator about what cooling off rights (if any) may apply.

## Complaints handling

As an Indirect Investor, your first point of contact for any complaints in relation to an investment in the Fund will be your IDPS operator. You may also access the procedures we have in place to handle any enquiries or complaints. Please refer to 'Complaints resolution' in Section 8 of the PDS.

### 3. BENEFITS OF INVESTING IN THE MUNRO CONCENTRATED GLOBAL GROWTH FUND

There is no additional information in this section. Refer to Section 3 'Benefits of investing in the Munro Concentrated Global Growth Fund' of the PDS.

### 4. RISKS OF MANAGED INVESTMENT SCHEMES

There is no additional information in this section. Refer to Section 4 'Risks of managed investment schemes' of the PDS.

### 5. HOW WE INVEST YOUR MONEY

This should be read in conjunction with Section 5 'How we invest your money' of the PDS.

#### Permitted investments

The Fund will generally invest in listed global equities (excluding Australia) including exchange traded funds, depositary receipts and Australian cash and cash equivalents.

Munro has adopted the following guidelines in managing the Fund:

- Total number of securities in the portfolio to be between 20 and 40
- Position size: maximum 10% of Net Asset Value at cost
- Cash or cash equivalents: 0% to 10%
- Equity related securities: 90% to 100%
- Illiquid investments (including private placements): 0% to 10%

#### Borrowing

While the use of borrowing is allowed under the Constitution, borrowing will not be used by the Fund.

#### Risk management and monitoring

Munro employs stop losses on all equity positions. The risk management processes enable the running of winners and cutting of losers quickly. Munro employs two key stop losses for formalised reviews:

- A stock fall of more than 20% from peak; and
- A stock fall of more than 20% from cost.

A portfolio management system is used to provide real time reporting and pre/post trade compliance while the investment team monitors portfolio correlations, sector risks, style exposure and aggregate valuation metrics.

#### Currency management

The base currency of the Fund is the Australian dollar. No management of the foreign currency exposure, arising from investments in overseas markets, relative to the Australian dollar is undertaken.

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

The Responsible Entity does not itself take into account labour standards and environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments.

The Responsible Entity has delegated investment decisions for the Fund to the Investment Manager pursuant to the Investment Management Agreement.

Munro has a formal Environmental, Social and Governance (ESG) Charter in place. However, Munro does not apply an accepted ESG benchmark when selecting, retaining or realising investments for the Fund, instead applying a case by case approach. In cases where Munro's investment process identifies that minimum standards are not being met by a company it may look to engage with the company to improve ESG levels, avoid investment or divest. The investment process does not take into account labour standards nor ethical considerations when selecting, retaining or realising investments for the Fund except to the extent that such issues might adversely impact the investment fundamentals of an investment under consideration.

Munro's proprietary investment process includes qualitative factor assessment incorporating sustainability and customer perception as two key parts of its five company characteristics. Companies that are focused on short term financial goals at the expense of long term sustainability and customer perception are generally excluded from the investment universe of stocks of interest.

## 6. FEES AND COSTS

This should be read in conjunction with Section 6 'Fees and costs' in the PDS.

### FEES AND OTHER COSTS

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in section 7 'How managed investment schemes are taxed'. You should read all the information about fees and costs because it is important to understand their impact on your investment.

#### Munro Concentrated Global Growth Fund

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management Costs</b> <sup>1,2,3,4,5</sup>		
The fees and costs for managing your investment	2.16% p.a. of Net Asset Value	Management costs consist of the following components: a) <b>Management Fee:</b> The Management Fee component is 1.10% p.a. of Net Asset Value of the Fund. <sup>3</sup> The Management Fee is not deducted directly from your account. Instead, we calculate and accrue the Management Fee daily in the unit price. It is paid to the Responsible Entity monthly in arrears from the assets of the Fund. b) <b>Performance Fee:</b> The Performance Fee component is estimated as 1.06% <sup>4</sup> of the Net Asset Value of the Fund. The Performance Fee is calculated as 10% of the Excess Return per Class A unit for the relevant Calculation Period multiplied by the number of Class A units on issue at the end of that Calculation Period less the Equalisation Reserve) ( <b>Accrued Performance Fee</b> ) plus any Crystallised Performance Fee. The estimated Performance Fee is only payable if the Accrued Performance Fee exceeds both the High Water Mark and the Performance Hurdle and is subject to a Performance Fee Limit. The Performance Fee is calculated each business day and accrued daily in the unit price and paid to the Responsible Entity bi-annually within 30 days of the end of the Calculation Period in arrears from the assets of the Fund. Further information about the Calculation Period, Excess Return per Class A unit, Crystallised Performance Fee, Equalisation Reserve, Performance Hurdle, High Water Mark and Performance Fee Limit can be found on page 8 of this document. c) <b>Indirect costs:</b> The indirect costs component is 0.00% p.a. of the Net Asset Value of the Fund. Indirect costs are deducted from the assets, accrued daily in the net asset value, and then paid periodically. Please refer to 'Indirect costs' in the 'Additional explanation of fees and costs' section.
<b>Service Fees</b>		
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1. All fees and costs set out in this section are inclusive of GST and any applicable stamp duty, less any applicable input tax credits and reduced input tax credits.
2. An allowance for transactional and operational costs may apply to investments into and withdrawals from the Fund. Please refer to 'Transactional and operational costs' in this document for further information.
3. The amount of this fee can be negotiated if you are a wholesale client under the Corporations Act. Please refer to 'Differential fees' later in this section for further information.
4. This estimate is inclusive of GST less any input tax credits and reduced input tax credits. The Performance Fee reflects the Responsible Entity's reasonable estimate at the date of this PDS of the Performance Fee that will apply for the current financial year and has been calculated based on the average Performance Fees paid since inception of the Fund. Past performance is not a reliable indicator of future performance. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period.
5. All estimates of fees in this section are based on information available as at the date of this PDS.

**Estimated and/or historical fees and costs may not be an accurate indicator of the fees and costs you may pay in the future.**

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### Management Costs

The management costs for the Fund (fees and costs incurred by you) comprise of the Management Fee, indirect costs, any abnormal costs and Performance Fee (if payable). The management costs do not include transactional and operational costs. Management costs are payable from the Fund's assets and are not paid directly from your account.

### Management Fee

The Management Fee for the Fund is 1.10% per annum of the Net Asset Value of Class A units of the Fund. The Management Fee is calculated and accrued daily in the unit price of Class A units in the Fund and is paid monthly in arrears.

From the Management Fee we pay all investment management fees (including the fees of the Investment Manager), all normal operating expenses of the Fund including custody fees, audit fees, accounting fees, legal and regulatory fees and all other normal costs except abnormal costs as described later in this section and transactional and operational costs. We will provide prior notice to investors if we seek to recover normal operating expenses from the Fund in the future.

**All estimates of fees and costs in the following section are based on information available as at the date of this PDS. The fees and costs indicated reflect the Responsible Entity's reasonable estimate at the date of this PDS of those fees and costs that will apply for the current financial year. Any updated cost information that is not materially adverse to investors will be posted on our website [www.gsfm.com.au](http://www.gsfm.com.au).**

### Performance Fee

We may be entitled to receive a Performance Fee equal to 10% of the Excess Return per Class A unit, over each Calculation Period (the six months to 31 March and 30 September each year, or the period from the commencement of the Fund to 31 March 2020 in the case of the first Calculation Period) multiplied by the number of Class A units on issue at the end of the Calculation Period less the Equalisation Reserve (**Accrued Performance Fee**) plus any Crystallised Performance Fee. The Accrued Performance Fee is also subject to exceeding the High Water Mark and to a Performance Fee Limit.

Further information about the Performance Fee and how it is calculated and paid is included later in this section of the PDS under the heading 'Calculation of the Performance Fee'.

### Indirect costs

Indirect costs are any amounts paid from the Fund's assets that we know or where required, reasonably estimate will reduce the return of the Fund or the amount or value of the income of, or assets attributable to the Fund other than the Management Fee, Performance Fee and abnormal costs. The indirect costs include (a) the indirect costs that we know or ought to know for the previous financial year and (b) where we do not know or ought to know the indirect costs, a reasonable estimate of those indirect costs based on the information available to us as at the date of this PDS. As such, the actual indirect costs may differ from year to year.

At the date of this PDS, the indirect costs are 0.00% p.a. of the Fund's Net Asset Value which is an amount the Responsible Entity reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period).

### Abnormal costs

We may recover other costs or expenses incurred (or that will be incurred) in connection with management of the Fund including but not limited to those resulting from abnormal circumstances (such as a change of the responsible entity or investment manager, termination of the Fund or unit holder meetings) out of the assets of the Class A units of the Fund.

We do not believe we can reliably estimate abnormal costs or expenses but expect that the circumstances which cause such costs to be incurred will not occur regularly. At the date of this PDS, the abnormal costs are 0.00% p.a. of the Net Asset Value of the Fund, which is the Responsible Entity's reasonable estimate of these costs for the current financial year (adjusted to reflect a 12 month period). However, if any abnormal costs or expenses are to be deducted, we will give you 30 days written notice.

### Transactional and operational costs

Transactional and operational costs are costs in the buying and selling of the Fund's assets and are charged directly to the Fund. These costs include brokerage, settlement costs, clearing costs, stamp duty, GST and other taxes.

Transactional and operational costs are an additional cost to you and are not included in the 'Management Costs', instead they are recovered as incurred and reflected in the unit price and are borne indirectly by investors as they reduce the returns generated by the Fund, and consequently, your investment.

The transactional and operational costs are expressed as a percentage of the average Net Asset Value of the Class A units. Any transactional and operational costs will be offset by the buy/sell recovery.

The Responsible Entity reasonably estimates at the date of this PDS that the transactional and operational costs that will apply for the current financial year will be 0.31% p.a. of Net Asset Value. Some of the transactional and operational costs will be offset by the buy/sell spread recovery.

The Responsible Entity reasonably estimates at the date of this PDS that the net transactional and operational costs (representing the total transactional and operational costs minus the total amount recovered through the buy/sell spread of +0.15%/-0.15%) for the current financial year will be 0.05% p.a. of the Net Asset Value. The transactional and operational costs are borne by the Fund.

Transactional and operational costs are calculated using the transactional and operational costs for the Fund for the previous financial year and will vary from year to year reflecting the actual expenses incurred. This means that estimated and/or historical costs may not be an accurate indicator of the fees and costs an investor may pay in the future. This is because the turnover in the underlying assets may change substantially as investment and markets conditions change, which may affect the level of transactional and operational costs incurred. The estimated transactional and operational costs may not be a reliable indicator of the typical ongoing transactional and operational costs of the Fund in the future.

Around the end of each financial year, where new transactional and operational costs information is not materially adverse, the updated information will be posted on our website [www.gsfm.com.au](http://www.gsfm.com.au) and we will advise you in the next regular communication after the change. If there is a material change to these costs we will issue a replacement PDS.

## Buy/sell spread

The buy/sell spread is an additional cost incurred by you when you invest in or withdraw from the Fund. The buy/sell spread is an adjustment to the unit price to cover those transactional and operational costs associated with buying and selling the Fund's assets. The buy/sell spread is not a fee paid to us but is paid to the Fund to offset the transactional and operational costs incurred.

The buy/sell spread may vary from time to time to reflect changes in the transactional and operational costs incurred, or likely to be incurred. The buy/sell spread for the Fund is currently 0.15% of the Net Asset Value per Class A unit when you make an application for, or a withdrawal of units in the Fund. If we do vary the buy/sell spread, we will not provide prior notice unless the change is material. The updated information will be posted on our website [www.gsfm.com.au](http://www.gsfm.com.au) and we will advise you in the next regular communication after the change.

The buy/sell spread will not apply to units you receive from distributions that are reinvested or to certain other transactions (including transfers).

## Worked dollar example

The current buy spread on an investment in the Fund is 0.15%. Therefore, the cost of an investment of \$50,000 into the Fund would be \$75.

The current sell spread on a withdrawal from the Fund is 0.15%. Therefore, the cost of a withdrawal of \$50,000 from the Fund would be \$75.

Please note that this is just an example. In practice, actual transactional and operational costs will depend on the amount you invest or withdraw.

## Calculation of the Performance Fee

### How is the Performance Fee calculated and paid?

Depending on how well the Fund performs we may be entitled to receive a Performance Fee, which is paid out of the assets of the Fund. The Performance Fee is calculated and accrued daily, where applicable, in the unit price of the Class A units of the Fund and is payable within 30 days of the end of the Calculation Period (being the period ending either 31 March or 30 September each year, or the period from the commencement of the Fund to 31 March 2020 in the case of the first Calculation Period). This fee is calculated by the administrator and invoiced directly to the Fund by the Responsible Entity.

The Performance Fee is equal to 10% of the Excess Return per Class A unit during each Calculation Period (**Base Performance Fee**) multiplied by the number of Class A units on issue at the end of the Calculation Period less the Equalisation Reserve (**Accrued Performance Fee**) plus any Crystallised Performance Fee. The Accrued Performance Fee is subject to exceeding the High Water Mark and to a Performance Fee Limit.

- The **Excess Return** per Class A unit is equal to the higher of the (Total Return per Class A unit less the Performance Hurdle per Class A unit) and nil.
- The **Total Return** per Class A unit equals (the Net Asset Value per Class A unit (after adjusting for applications, redemptions and distributions (including pending distributions) and excluding a payment of any Performance Fee or other costs or fees) (**Adjusted Net Asset Value**) at the end of the Calculation Period divided by the Net Asset Value per Class A unit at the beginning of the Calculation Period) minus 1.
- The **Performance Hurdle** per Class A unit is the higher of the Bond Hurdle and the Equity Hurdle in the relevant Calculation Period.
- The **Equity Hurdle** is the return of the MSCI World (Ex-Australia) Total Return Net Index in AUD in the relevant Calculation Period. If we determine that this index is no longer available or has become inappropriate, we will nominate a similar index.
- The **Bond Hurdle** is the annualised yield of 10-year Australian Government Bonds, divided by the number of days in the calendar year, multiplied by the number of days in the relevant Calculation Period.

The Base Performance Fee per Class A unit payable for each Calculation Period will be less the Equalisation Reserve. When you make an investment in the Fund, any accrued Base Performance Fee per Class A unit will have already been calculated and included in the valuation of the units and reflected in the unit price. To ensure that you will only pay a Performance Fee on any excess performance generated after your units are issued, we apply a **Daily Equalisation Adjustment**. This means that the Base Performance Fee per Class A unit incorporated in the Net Asset Value per Class A unit is multiplied by the number of units issued on the following business day less the number of units redeemed on the following business day. The sum of all the Daily Equalisation Adjustments during a Calculation Period forms the **Equalisation Reserve** (which is equal to zero at the start of each Calculation Period).

Whenever we issue a new unit, the Equalisation Reserve, is adjusted by the amount of the Base Performance Fee per Class A unit accrued in the entry price immediately before the issue of that new unit. If, however, on the day a new unit is issued and the accrued Base Performance Fee is zero then no Daily Equalisation Adjustment to the Equalisation Reserve will be made with regard to the issue of that unit.

The Performance Fee payable at the end of the Calculation Period is inclusive of a **Crystallised Performance Fee**. The Crystallised Performance Fee means that when a withdrawal is made from the Fund on a particular business day, any Accrued Performance Fee will have already been calculated and included in the exit price of those units as at the time of withdrawal and therefore that the Accrued Performance Fee with respect to those units has crystallised and is payable to us at the end of the Calculation Period.

The Responsible Entity will only be entitled to a Performance Fee where the Net Asset Value per Class A unit at the end of the Calculation Period exceeds the High Water Mark. The **High Water Mark** is the higher of the Net Asset Value per Class A unit at the end of the most recent Calculation Period or the previous High Water Mark. If an income and/or capital distribution is paid after the determination of the High Water Mark, then the High Water Mark will be reduced by that income and/or capital distribution (as applicable) paid. Having a High Water Mark ensures that any negative returns must be surpassed before a Performance Fee is accrued and payable. For the initial Calculation Period after the commencement of the Fund, the High Water Mark will be \$1.00.

Further, the Performance Fee to which the Responsible Entity is entitled will be subject to the Performance Fee Limit. The **Performance Fee Limit** is a reduction in the Accrued Performance Fee we would otherwise be entitled to receive in order to ensure that the Accrued Performance Fee does not reduce the Net Asset Value per Class A unit (after the performance fee has been paid) below the High Water Mark.

### Daily Performance Fee Calculation Methodology

The Base Performance Fee is calculated each business day as 10% of the difference between (a) the daily dollar Total Return per Class A unit and (b) the higher of the daily dollar return of the Bond Hurdle and Equity Hurdle, that is, the return that would have been generated had the same amount of money been invested at the higher of the Bond Hurdle and Equity Hurdle.

The Base Performance Fee rate of 10% is applied to the dollar difference between (a) and (b) and this amount, (which may be a positive or negative amount) is added to the unpaid Base Performance Fee amount. This unpaid Base Performance Fee amount is the aggregate of all daily Base Performance Fee amounts calculated during the Calculation Period.

If, on a given business day, the unpaid Base Performance Fee in aggregate is positive, this amount will be included in the daily Net Asset Value. If, on a given business day, the unpaid Base Performance Fee amount in aggregate is negative, no Base Performance Fee amount will be included in the daily Net Asset Value. The Daily Equalisation Adjustment will also be applied to the daily Net Asset Value.

At the end of the last business day of the Calculation Period (that is, on 31 March and 30 September each year):

- a) if the Accrued Performance Fee is positive, and the Net Asset Value per unit is higher than the High Water Mark, the amount of that Accrued Performance Fee plus any Crystallised Performance Fee is due and payable to us (after taking into account GST less any input tax credits and reduced input tax credits). Consequently, the Net Asset Value per unit at the end of the Calculation Period will become the High Water Mark for the next Calculation Period;
- b) if the unpaid Accrued Performance Fee included in the Net Asset Value is positive, but the Net Asset Value per unit is lower than the High Water Mark, no Performance Fee is payable to us; and
- c) if the unpaid Accrued Performance Fee included in the Net Asset Value is negative or zero, no Performance Fee is payable to us.

The payment of a Performance Fee reduces the unit price of the Fund.

Generally, the greater the investment performance of the Fund, the greater the Performance Fee and therefore the greater the overall management costs for the Fund. The management costs set out in the table on page 6 include an estimated Performance Fee of 1.06% p.a. of the Net Asset Value, which is the Responsible Entity's reasonable estimate at the date of this PDS of the Performance Fee that will apply for the current financial year. The reasonable estimate of the Performance Fee has been calculated based on the average Performance Fees paid by the Fund since its inception. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period.

### Performance Fee worked example

The worked example in the following table is for illustrative purposes only, it is not an indication of the expected or future performance of the Fund and assumes no applications or withdrawals made during the performance period.

**Scenario 1: Exceed Equity Hurdle, but not Bond Hurdle or High Water Mark = No Performance Fee**

**Scenario 2: Exceed Bond Hurdle and High Water Mark, but not Equity Hurdle = No Performance Fee**

**Scenario 3: Exceed both Bond and Equity Hurdles, but not the High Water Mark = No Performance Fee**

**Scenario 4: Exceed both Bond and Equity Hurdles, as well as the High Water Mark = Performance Fee**

Calculation Period of six months (e.g. 1 April - 30 September)	Component	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Performance Hurdle is the higher of:	%	3.00%	8.00%	8.00%	5.00%
Bond Hurdle Return (10 year Australian Government Bond Yield)	%	3.00%	3.00%	3.00%	3.00%
Equity Hurdle Return (MSCI World (ex- Australia) Total Return Net Index in AUD)	%	-8.00%	8.00%	8.00%	5.00%
Fund return for Calculation Period (excluding Performance Fee)	%	2.00%	5.00%	10.00%	10.00%
Previous High Water Mark	\$ per Class A unit	1.3000	1.3000	1.4000	1.3000
Hurdle rate applied to Previous High Water Mark	\$ per Class A unit	1.3390	1.4040	1.5120	1.3650
Opening NAV per Class A unit (e.g. 1 April)	\$ per Class A unit	1.2500	1.2500	1.2500	1.2500
Closing NAV per Class A unit (e.g. 30 September) before Performance Fee	\$ per Class A unit	1.2750	1.3125	1.3750	1.3750
Did the Fund performance exceed the High Water Mark?		No	Yes	No	Yes
Did the Fund performance exceed the Performance Hurdle?		No	No	Yes	Yes
Performance Fee	%	10.00%	10.00%	10.00%	10.00%
Performance Fee per Class A unit	\$ per Class A unit	0.0000	0.0000	0.0000	0.0010
Closing NAV per Class A unit (e.g. 30 September) after Performance Fee	\$ per Class A unit	1.2750	1.3125	1.3750	1.3740
End of Calculation Period High Water Mark	\$ per Class A unit	1.3000	1.3125	1.4000	1.3740
Class A unit held by unit holder	Class A Units	40,000	40,000	40,000	40,000
Opening value of investment (e.g. 1 April)	\$	50,000	50,000	50,000	50,000
Closing value of investment (e.g. 30 September)	\$	51,000	52,500	55,000	54,960
Performance fee paid	\$	0	0	0	40
Net return for Calculation Period	%	2.00%	5.00%	10.00%	9.92%

## Fee maximum and changes to fees

We are entitled under the Constitution of the Fund to charge a contribution fee and withdrawal fee each of 5% (inclusive of GST, less any input tax credits and reduced input tax credits), a Management Fee of up to 3% per annum (inclusive of GST, less any input tax credits and reduced input tax credits) of the assets of the Class A units of the Fund (determined on the basis of the 'last sale' price, net of estimated disposal costs) and a Performance Fee of 20% (exclusive of GST) of the performance of the Fund. We have elected to limit our Management Fee and the Performance Fee to the level shown in the PDS and in the case of the contribution fee and withdrawal fee, waive these fees altogether.

We may elect to change the fees and costs outlined in this section (e.g. due to changes in economic conditions and size of the Fund) without investor consent. We will provide you at least 30 days written notice of any changes; except for changes to the buy/sell spread (refer to the buy/sell spread section above).

## Indirect investors

If you invest in the Fund through a master trust or wrap account (**IDPS**), the fees and expenses applicable to the IDPS (and set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses stated in the PDS.

## Fund manager and platform access payments

There are circumstances when we may, subject to the law, pay a platform to make the Fund available on their investment menu.

There are two types of payment that can be made:

- product access payments where a flat dollar amount per annum is paid to the platform provider for administrative and investment related services; and
- fund manager payments where a volume based shelf-space fee based on past, current or projected volumes invested is paid to the platform provider.

If you invest in the Fund via a platform these payments may be rebated to you or may be retained (in full or in part) by the platform operator.

If we do pay fees, we will pay them from our own resources so that they are not an additional cost to the Fund or to you.

## Adviser remuneration

We may, subject to the law, pay commissions and indirect remuneration to licensed financial advisers and other financial service providers. These amounts are paid from our own resources so that they are not an additional cost to the Fund or to you. We will only make these payments to the extent they are permitted by law.

We keep a register of indirect remuneration (e.g. non-monetary benefits valued between \$100 and \$300) paid to other financial services licensees. The register is publicly available, and you may inspect this register by calling 1300 133 451.

## Differential fees

We may charge fees on a different basis to a wholesale client (as defined under the Corporations Act) based on individual negotiation between us and that wholesale client.

We may, in certain circumstances determined by us, as permitted under law, negotiate special arrangements concerning fees (including fee reductions and rebates) with other investors.

We may, where permitted under the law, charge fees on a different basis to certain employees of GRES and employees of its associated entities.

Through the operation of rebates which are paid from the fees that we receive, we may effectively charge net fees on a different basis to:

- a) a wholesale client (as defined under the Corporations Act) based on individual negotiation between us and that wholesale client; and/or
- b) where permitted under the law, charge net fees on a different basis to certain employees of GRES and employees of its associated entities. These employees may be entitled to a rebate of up to 0.25% to be reinvested in the Fund; and/or
- c) where in special circumstances determined by us and permitted under the law charge net fees on a different basis to other investors. These investors may be entitled to a rebate of up to 0.25% to be reinvested in the Fund.

All of the above arrangements will involve a rebate of the fees that we earn and hence:

- the fees that are charged to all Class A investors in the Fund are identical and
- any rebates that we pay to wholesale investors, other investors or to staff are not an additional cost to the Fund or to you.

Relevant investors should contact the Responsible Entity in relation to negotiating fees. See the cover of the PDS for our contact details.

## Related party payments

GSFM Pty Limited (**GSFM**) is a related party of GRES. GSFM provides distribution, administrative and support services to GRES. GRES pays fees to GSFM in this regard on arms-length commercial terms.

The Investment Manager of the Fund, Munro Partners, is a related party of GSFM. GRES pays fees to Munro Partners on arms-length commercial terms.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

This should be read in conjunction with Section 7 of the PDS 'How managed investment schemes are taxed'.

The information contained in the following summary is intended to be of a general nature only and should serve only as a guide to the tax considerations that may arise. The summary applies only to Australian resident investors. Different tax considerations arise for non-resident investors.

You should seek independent professional tax advice that takes account of your particular circumstances before investing in the Fund.

### Attribution Managed Investment Trust (AMIT) Regime

The Responsible Entity is entitled, under the Constitution to elect the Fund into the Attribution Managed Investment Trust (**AMIT**) regime without member approval, subject to the satisfaction of certain conditions. Accordingly, we determined that the Fund will become an AMIT commencing from the 2020 financial year.

Some of the key features of the AMIT regime include:

- allocation of taxable income to unitholders based on 'attribution' rather than present entitlement to the 'income' of the trust;
- clarification of the treatment of under and over distributions; and
- CGT cost base reductions and uplifts in unitholdings where taxable income attributed is either less than or greater than the cash distribution for an income year (respectively).

### Taxation of the Fund

The Fund should not be subject to Australian income tax, with tax instead being borne by the investors. That is, from a tax perspective, the Fund should be treated as a 'flow-through' entity.

However, where the Fund is in a tax loss position in a particular year, the loss is retained in the Fund and is not distributable to the unitholders. The loss can be carried forward by the Fund and used to offset taxable income in a future year (subject to satisfaction of certain loss integrity tests).

### Distributions

Australian resident investors are generally subject to tax on the taxable income from the Fund that is attributed to them by the Responsible Entity. Such attribution must be worked out by the Responsible Entity on a fair and reasonable basis in accordance with the Constitution of the Fund.

The taxable income attributed to an investor will also include amounts of trust income that are reinvested in the Fund. The distributions received may be more or less than the amount of income that is subject to tax.

The way in which investors are taxed will depend on the components of income attributed\*. The amounts attributed to an investor could include non-cash items such as tax credits.

\* We will send you an annual tax statement indicating the components of your distributions (and the amounts to which you are attributed for tax purposes) after the end of each Financial Year which may assist you in completing your tax return and/or updating the cost base of your investment for capital gains tax purpose.

Under the AMIT regime, distributions can result in either a reduction or increase in the CGT cost base of an investor's units. Broadly, where the taxable income attributed to an investor is less than the cash distribution, this should result in a reduction to the cost base of the investor's units. Conversely, where the taxable income attributed to an investor is greater than the cash distribution, this should result in an increase to the cost base of the investor's units. A reduction in cost base typically arises where a distribution contains 'tax sheltered income'.

Tax sheltered income will generally arise as a consequence of the distribution of income that is in excess of the Fund's taxable income for the year.

### Foreign income

Distributions may include foreign income. If foreign tax is paid on the foreign income derived by the Fund, then you will need to include in your assessable income your share of any foreign income and any related foreign taxes withheld from such income. You may be entitled to claim an offset against your Australian income tax liability in respect of foreign tax paid (up to the amount of Australian tax otherwise payable by you on the net foreign source income included in your taxable income).

### Gains on transfer and redemption of units

It should be noted that, when you calculate the net taxable capital gains in any income year that you must take into account the capital gains and losses from all sources, including those arising on transfer or redemption of units. Individuals and complying superannuation funds may be entitled to the CGT discount concession (50% and 33.33% respectively) where the investment in units is held on capital account and for more than 12 months. You should discuss this calculation with your taxation adviser.

### Tax File Number (TFN)

We recommend you provide your TFN/ABN on the Application Form. It is not compulsory for an Australian unitholder to quote their TFN or ABN. However, if a TFN/ABN is not quoted, or an appropriate exemption is not claimed, the Responsible Entity will be required to deduct tax at the highest marginal tax rate (currently 45%) plus the Medicare Levy (currently 2%) totalling 47% from distributions.

By quoting your TFN or ABN you authorise us to apply it to your investment and disclose it to the Australian Tax Office. Collection of TFN or ABN information is authorised, and its use and disclosure is strictly regulated, by the tax laws and under privacy legislation.

### Goods and Services Tax (GST)

The issue and redemption of units in the Fund is not subject to GST, however, the Fund may pay GST on the services it acquires. In most circumstances our fees and other services, together with the reimbursement of expenses are subject to GST. Generally, a Fund cannot claim full input tax credits for GST incurred on these services to the extent that the services relate to input taxed supplies but, in certain circumstances a Fund may be entitled to a reduced input tax credit (**RITC**) of the GST payable on these services. If the GST rate increases, the RITC rate decreases, or RITCs are not available, the Constitution for the Fund allows us to amend the amount recouped out of the Fund accordingly.

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

FATCA was enacted in 2010 by the United States Congress to target non-compliance by US taxpayers using foreign accounts. CRS is a broader OECD led framework for the collection, reporting and exchange of financial account information between revenue authorities across jurisdictions. FATCA and CRS have important implications for financial institutions globally, including an obligation to identify foreign accounts and report information relating to foreign accounts to the foreign tax authorities or, under FATCA, to withhold 30% tax on US connected payments to non-participating foreign financial institutions.

To comply with the FATCA and CRS requirements, the Fund will collect additional information from you and will disclose such information to the Australian Taxation Office. This information may ultimately be shared with revenue authorities in other jurisdictions under the various exchange of information agreements that Australia has entered into with other jurisdictions.

Provided all necessary registrations and information to comply with FATCA is obtained, US withholding tax on US connected payments should not apply to the Fund.

### Tax Reform

The comments above are based on the Australian taxation law as at the issue date of the PDS.

It is recommended that unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

## 8. HOW TO APPLY

There is no additional information in this section. Refer to Section 8 'How to apply' of the PDS.

## 9. OTHER INFORMATION

### Constitution

The operation of the Fund is governed under the law and its Constitution which addresses matters such as: unit pricing and withdrawals and applications; the issue and transfer of units or classes of units; unit holder meetings; unit holders' rights including unit holders' rights to income of the Fund; the Responsible Entity's powers to invest, borrow and generally manage the Fund and fee entitlement and right to be indemnified from the Fund's assets. The Constitution states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind.

We may alter the Constitution if we, as the Responsible Entity, reasonably consider the amendments will not adversely affect investors' rights. Otherwise we must obtain investors' approval at a meeting of investors. We may retire or (if investors vote for our removal) be required to retire as Responsible Entity. No units may be issued after the 80th anniversary of the date of the Constitution. We may exercise our right to terminate the Fund earlier by written notice to unit holders. Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

The Constitution may be viewed between 9am and 5pm, Sydney time, on business days by calling 1300 133 451. We will provide you with a copy free of charge.

The Constitution gives us a number of rights, including a number of discretions relating to unit pricing. You can obtain a copy of our Unit Pricing Discretions Policy, free of charge, by calling 1300 133 451.

### Compliance Plan

In accordance with the requirements of the Corporations Act and Australian Securities and Investments Commission (**ASIC**) policy the Fund has a compliance plan which sets out the measures we will take to ensure we comply with the Corporations Act and the Constitution of the Fund (**Compliance Plan**). To oversee compliance with the Compliance Plan we have appointed a compliance committee with a majority being external members. A copy of the Fund's Compliance Plan is available free of charge by contacting us.

### Investment management agreement

GRES has entered into an investment management agreement (**IMA**) with Munro Partners. Under the IMA, Munro Partners agrees to provide investment management services with respect to the Fund. The IMA may be terminated by either party in certain circumstances such as if the other party is insolvent, materially breaches the agreement, ceases to hold or be exempt from holding an Australian financial services licence, ceases to hold all other licences necessary to conduct its business, ceases to carry on its business or engages in fraudulent, dishonest, misleading or deceptive conduct in connection with the services provided pursuant to the agreement. Each party agrees to indemnify the other party from any losses and expenses arising from the first party's fraud, negligence or wilful default.

### Custodian, administrator and registrar

J.P. Morgan Chase Bank N.A. (Sydney Branch) (**J.P. Morgan**) is the custodian for the Munro Concentrated Global Growth Fund. J.P. Morgan will hold the assets of the Fund on behalf of the Responsible Entity and act in accordance with our instructions. J.P. Morgan may also appoint sub custodians from time to time.

J.P. Morgan also provides fund administration, portfolio accounting, portfolio compliance reporting, unit pricing, financial reporting, and taxation reporting services for the Fund.

Mainstream Fund Services Pty Ltd (**Mainstream Fund Services**) provides unit registry services for the Fund.

There are service level agreements (**SLA**) in place with J.P. Morgan and Mainstream Fund Services which clearly delineate the responsibilities of all parties.

GRES can terminate J.P. Morgan's appointment as custodian and/or administrator in the circumstances specified under the respective agreements governing these relationships.

GRES can terminate Mainstream Fund Services' appointment as unit registry in the circumstances specified under the agreement governing this relationship.

GRES remains liable to unit holders for acts and omissions of the custodian, administrator and unit registry. In addition, neither the custodian and administrator nor the unit registry have any supervisory obligation to ensure that GRES complies with its obligations as responsible entity of the Fund and are not responsible for protecting the rights of unit holders.

J.P. Morgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. J.P. Morgan has not independently verified the information contained in this PDS and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

## Consents

The following parties have given written consent (which has not been withdrawn at the date of this document and the PDS) to being named, in the form and context in which they are named, in this document and the PDS:

- Munro Partners as investment manager of the Fund;
- J.P. Morgan Chase Bank N.A. (Sydney Branch) as custodian and administrator to the Fund; and
- Mainstream Fund Services Pty Ltd as unit registrar for the Fund.

Each of these persons named above:

- has not authorised or caused the issue of this document or the PDS; and
- does not make or purport to make any statement in this document or the PDS (or any statement on which a statement in this document or the PDS is based) other than as specified; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this document and the PDS other than the reference to their name in a statement or report included in this document and the PDS with their consent as specified.

## Direct Debit Request Service Agreement

This information applies if you intend that your initial or additional investments into the Fund are to be paid by direct debit. Please make sure that you provide your bank account details and complete the direct debit request in the relevant sections of the Application Form.

The following is your Direct Debit Service Agreement with **Mainstream Fund Services Pty Ltd ABN 81 118 902 891**. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with Mainstream Fund Services. It also details what Mainstream Fund Services' obligations are to you as your Direct Debit Provider.

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

## Definitions

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

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

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

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

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

**direct debit request** means the Direct Debit Request between *us* and *you*.

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

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

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

## 1. Debiting your account

- 1.1 By signing a *Direct Debit Request* or by providing us with a valid instruction, *you* have authorised *us* to arrange for funds to be debited from *your account*. *You* should refer to the *Direct Debit Request* and this agreement for the terms of the arrangement between *us* and *you*.
- 1.2 We will only arrange for funds to be debited from *your account* as authorised in the *Direct Debit Request*.  
  
*or*  
We will only arrange for funds to be debited from *your account* if we have sent to the address nominated by *you* in the *Direct Debit Request*, a billing advice which specifies the amount payable by *you* to *us* and when it is due.
- 1.3 If the *debit day* falls on a day that is not a *banking day*, we may direct *your financial institution* to debit *your account* on the following *banking day*. If *you* are unsure about which day *your account* has or will be debited *you* should ask *your financial institution*.
- 1.4 The Direct Debit will be made on receipt of your application. It takes three days for the request to be cleared. Upon confirmation that the funds are cleared we will apply for units in the relevant Fund on your behalf.

We will only arrange for funds to be debited from *your account* as authorised in the *Direct Debit Request*.

## 2. Amendments by us

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

## 3. Amendments by you

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

**Unit Registry**  
**Mainstream Fund Services Pty Ltd**  
**GPO BOX 4968**  
**Sydney NSW 2001**

*or*

by telephoning us on 1300 133 451 during business hours;

*or*

arranging it through your own financial institution.

## 4. Your obligations

- 4.1 It is *your* responsibility to ensure that there are sufficient clear funds available in *your account* to allow a *debit payment* to be made in accordance with the *Direct Debit Request*.
- 4.2 If there are insufficient clear funds in *your account* to meet a *debit payment*:
  - a) *you* may be charged a fee and/or interest by your *financial institution*;
  - b) *you* may also incur fees or charges imposed or incurred by *us*; and
  - c) *you* must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in *your account* by an agreed time so that we can process the *debit payment*.
- 4.3 *You* should check *your account* statement to verify that the amounts debited from *your account* are correct.
- 4.4 If **Mainstream Fund Services Pty Ltd** is liable to pay goods and services tax ('GST') on a supply made in connection with this agreement, then *you* agree to pay **Mainstream Fund Services Pty Ltd** on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 5. Dispute

- 5.1 If you believe that there has been an error in debiting *your account*, you should notify us directly on **1300 133 451** and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution direct.
- 5.2 If we conclude as a result of our investigations that *your account* has been incorrectly debited we will respond to *your query* by arranging for *your financial institution* to adjust *your account* (including interest and charges) accordingly. We will also notify you in writing of the amount by which *your account* has been adjusted.
- 5.3 If we conclude as a result of our investigations that *your account* has not been incorrectly debited we will respond to *your query* by providing you with reasons and any evidence for this finding in writing.

## 6. Accounts

You should check:

- a) with *your financial institution* whether direct debiting is available from *your account* as direct debiting is not available on all accounts offered by financial institutions.
- b) your account details which you have provided to us are correct by checking them against a recent *account statement*; and
- c) with *your financial institution* before completing the *Direct Debit Request* if you have any queries about how to complete the *Direct Debit Request*.

## 7. Confidentiality

- 7.1 We will keep any information (including *your account* details) in your *Direct Debit Request* confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
- a) to the extent specifically required by law; or
  - b) for the purposes of this *agreement* (including disclosing information in connection with any query or claim).

## 8. Notice

- 8.1 If you wish to notify us in writing about anything relating to this *agreement*, you should write to:

**Mainstream Fund Services Pty Ltd**  
**GPO Box 4968**  
**Sydney NSW 2001**

- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the *Direct Debit Request*.
- 8.3 Any notice will be deemed to have been received on the third *banking day* after posting.

 **MUNRO  
PARTNERS**

 **GSFM**  
FUNDS MANAGEMENT