Payden&Rygel
Investment Management

GRANT SAMUEL
FUNDS MANAGEMENT

Additional Information to the Product Disclosure Statement

Issuer and Responsible Entity: Grant Samuel Fund Services Limited ABN 48 129 256 104 AFSL 321517

1 August 2018

Contents

The information in this document forms part of the Product Disclosure Statement for the Payden Global Income Opportunities Fund (**Fund**) dated 1 August 2018 (**PDS**). **You should read and consider this information together with the PDS before making a decision about the Fund.**

This document is issued by Grant Samuel Fund Services Limited ABN 48 129 256 104, AFSL 321517, the responsible entity for the Payden Global Income Opportunities Fund (ARSN 130 353 310) ABN 53 119 234 720 APIR Code GSF0008AU.

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 us on 1300 133 451.

Contact details

Responsible Entity
Grant Samuel Fund Services Limited
Level 19, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000
Website: www.gsfm.com.au

Mailing address
Mainstream Fund Services – Unit Registry
GPO Box 4968
Sydney NSW 2001

Client Service
Email: registry@mainstreamgroup.com
Phone: 1300 133 451

1. About Grant Samuel Fund Services Limited

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

2. How the Payden Global Income Opportunities 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 signed written instructions with your cheque marked not negotiable and made payable to: '**GSFS App A/C – PGIOF Name of applicant**'.

You may also pay by direct debit and electronic funds transfer (**EFT**).

If you are paying by direct debit, we require you to complete and sign the Direct Debit section of the 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 '**PGIOF**', your name (or part of your name) in the EFT description and deposit the application money to the following account:

Bank:	JPMorgan Chase Bank, N.A.
BSB:	212-200
Account name:	GSFS App A/C
Account number:	10054635

The minimum additional investment amount is $5,000.

Please ensure that applications are sent to:

Mail:	Mainstream Fund Services – Unit Registry GPO Box 4968 Sydney NSW 2001
Fax:	(02) 9251 3525
Or email:	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.

If you invest in the Fund through mFund, you can add to your investment by placing an order for additional units through your broker or a financial adviser who uses a stock broking service on your behalf.

Please contact your broker or financial adviser for more information as requests through the mFund settlement service are subject to earlier cut-off times as specified in the ASX Settlement Operating Rules.

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.

If you invest in the Fund through mFund, application money will be sent to us via the ASX electronic settlement system CHESS.

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.

The regular monthly investment plan is not available for investors investing through the mFund Settlement Service.

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.

If you invest in the Fund through mFund, you should notify your broker or financial adviser who uses a stock broking service on your behalf of any changes to your personal details.

Privacy and your personal information

The Application Form available from www.gsfm.com.au requires you to provide personal information. Grant Samuel Fund Services Limited (**GSFS**), 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). Other legislation 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 GSFS'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 GSFS. 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.

A copy of Mainstream Fund Services's Privacy Policy can be accessed at http://www.mainstreambpo.com/mbpo/Privacy-Policy.

You will be able to gain access to your personal information collected by us by contacting Mainstream Fund Services on 1300 133 451 or by emailing registry@mainstreamgroup.com.

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.

Our privacy policy, available at www.gsfm.com.au contains information about how you may complain about a breach of the Australian Privacy Principles 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 (**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:

a) 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;
b) 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
c) anyone acting on your behalf, including your power of attorney.

In some circumstances, we may need to re-verify this information.

By applying to invest in the 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 regarding our requirements, please contact Mainstream Fund Services on 1300 133 451 or by email to registry@mainstreamgroup.com.

If you invest in the Fund through mFund, your broker will conduct the anti-money laundering and counter terrorism financing checks.

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 signed 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.

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.

If you invest in the Fund through mFund, you redeem some or all of your units by placing an order to sell through your broker or a financial adviser who uses a stock broking service on your behalf. Please contact your broker or financial adviser for more information as requests through the mFund settlement service are subject to earlier cut-off times as specified in the ASX Settlement Operating Rules.

Withdrawals will be paid to your relevant broking account.

Instructions received via email and facsimile

By instructing us by email or fax you acknowledge that GSFS 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 this service 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 GSFS or the Mainstream Fund Services (acting reasonably) provided that we have acted without fraud or negligence.

If you invest in the Fund through mFund please contact your broker or financial adviser who uses a stock broking service on your behalf for information on how to transact.

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.

If you invest in the Fund through mFund please contact your broker or financial adviser who uses a stock broking service on your behalf for information on how to transfer your units.

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 the calculation of the Net Asset Value of the Fund or withdrawals are suspended. Withdrawals may be suspended for up to 120 days including where:

a) it is impracticable for us, or we are unable, to calculate the Net Asset Value of the Fund for example, because of financial market disruptions or closures;
b) 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 their units;
c) where we reasonably consider it to be in the interests of unit holders;
d) where we reasonably estimate that we must sell 5% or more (by value) of all assets of the Fund to meet withdrawal requests; or
e) 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, we expect 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 where the Fund's investments cannot in the opinion of the Responsible Entity be appropriately valued or disposed of including where:

a) there have been disruptions, suspensions or closures to financial markets; or
b) for any other reason the value of the Fund's assets or liabilities cannot in the opinion of the Responsible Entity reasonably or fairly be ascertained such as when withdrawal requests or other transactions are suspended.

Unit prices will be available daily at www.gsfm.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.

If you invest in the Fund through mFund you will also be able view the unit prices for the Fund at www.mfund.com.au.

Indirect investors

If you invest in the Fund through a master trust or wrap account 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

Taxation consequences of investing in the Fund, in Section 7 'How managed investment schemes are taxed', 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 Funds 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.

mFund investors

If you invest in the Fund through mFund, the processes of the ASX and the broker you use may impact the time your application and withdrawal requests are received by us. Please contact your broker or financial adviser for their cut off times as they may be different from those outlined in this PDS.

Applications

You may apply for Units in the Fund through mFund by placing an order to buy units through your broker or a financial adviser who uses a stock broking service on your behalf. Please contact your broker or financial adviser for more information as requests through the mFund settlement service are subject to earlier cut-off times as specified in the ASX Settlement Operating Rules.

Reporting

You will receive statements, tax information or other information directly from us. GSFS provides investors in the Fund with regular reporting on key Fund Information which can be accessed at www.gsfm.com.au.

In addition, periodically you will receive a CHESS holding statement from the ASX summarising any transactions you have made in units of the Fund through mFund.

Withdrawals
If you invest in the Fund through mFund, you can redeem some or all of your units by placing an order to sell through your broker or a financial adviser who uses a stock broking service on your behalf. Please contact your broker or financial adviser for more information as requests through the mFund settlement service are subject to earlier cut-off times as specified in the ASX Settlement Operating Rules.

Withdrawals will be paid, generally within 5 business days, to your relevant broking account.

Fees and expenses
If you are investing through mFund, you may incur additional costs, such as brokerage costs, for using mFund to acquire and/or dispose of an interest in the Fund. You should consider the Financial Services Guide provided by your broker or financial adviser.

Cooling off
If you invest in the Fund through mFund, you should notify your broker or financial adviser who uses a stock broking service on your behalf if you wish to exercise the cooling off rights.

Complaints handling
You may 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 Payden Global Income Opportunities Fund

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. 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
Grant Samuel Fund Services has entered into an Investment Management Agreement with Payden & Rygel. Under the Investment Management Agreement, Payden & Rygel agrees to provide investment management services with respect to the Fund. The Investment Management Agreement 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 Payden Global Income Opportunities 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 provides unit registry services for the Fund.

There is a Service Level Agreement (**SLA**) in place with J.P. Morgan and Mainstream Fund Services which clearly delineate the responsibilities of all parties.

Grant Samuel Fund Services Limited can terminate J.P. Morgan's appointment as Custodian and/or Administrator in the circumstances specified under the respective agreements governing these relationships. Grant Samuel Fund Services Limited can terminate Mainstream Fund Services's appointment as Unit Registry in the circumstances specified under the agreement governing this relationship.

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

4. Risks of managed investment schemes

This should be read in conjunction with Section 4 of the PDS 'Risks of managed investment schemes'.

Fixed income security risk – Fixed income security risk refers to the changes that may affect the fixed income and debt markets such as market wide and global economic factors; supply and demand pressures; individual issuer or company specific events; and credit risk.

The fixed income securities the Fund invests in include: government bonds; agency, sovereign and supranational securities; mortgage backed and asset backed securities; corporate bonds; emerging markets debt; and convertible bonds. These securities can all be affected by changes in market sentiment; global economic factors; and supply and demand pressures. Individual issuer or company specific events and credit risk can also impact on certain securities.

Some fixed interest securities, such as emerging markets debt; high yield debt; mortgage backed and asset backed securities will carry greater risks than others. Even in respect of investments in the perceived 'safe haven' of US Treasury bills, notes, and bonds, where interest payments and the face value payment at maturity are guaranteed it is possible for capital gains or losses to be made if bonds are sold prior to maturity.

Interest rate risk – Interest rate risk is the risk that changes in interest rates may have an adverse impact on the capital value or income of a fixed income security. The performance of the Fund will be sensitive to movements in interest rates. A rise in interest rates usually results in the capital value of fixed income securities falling. A fall in interest rates usually results in the capital value of fixed income securities increasing. In addition, fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit risk (also known as default risk) – Credit risk is the risk that the issuer of a security may not be able to meet its obligations to pay interest and repay capital or other financial obligations in full and/or on time. Such an event is called a default.

The Investment Manager conducts fundamentally based research on all investments. All investments undergo an internal credit assessment based on relevant criteria. This process is helpful in assessing the Investment Manager's overall comfort with a given issuer, as well as relative value between competing investments. This internal credit assessment is made independently of how ratings agencies view a particular institution's credit-worthiness.

Derivative risk – The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Derivatives are financial contracts that are used to obtain or reduce market exposures. The value of a derivative is linked to the value of an underlying asset, rate or index and can be highly volatile. As many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Risks associated with using derivatives may include, but are not limited to, the value of the derivative failing to move in line with that of the underlying asset, counterparty risk and potential illiquidity which may occur if a particular derivative instrument is difficult to purchase or sell, if the transaction is particularly large, or if the relevant market itself is illiquid. Accordingly, while the use of derivatives can offer the Fund the opportunity for higher returns, it can also magnify losses to the Fund and there is no assurance that any derivatives strategy used by the Fund will succeed.

Although not all of these risks can be eliminated, the Responsible Entity and Investment Manager manage these risks as far as is practicable by:

- regularly monitoring the derivative positions of the Fund to ensure that it stays within the risk weighted exposure limits set in the Investment Guidelines;
- monitoring and ensuring that the Fund can pay all of the obligations associated with derivatives from the appropriate amount of cash or physical assets held by the Fund;
- not borrowing against the assets of the Fund for the purposes of leveraging the portfolio;
- using intermediaries or counterparties the Investment Manager considers reputable.

Leverage risk – Certain transactions may give rise to a form of leverage. In particular, the Fund may use derivatives for leverage and many derivatives have a leverage component. However, while leverage creates an opportunity for greater total returns for the Fund, it may also magnify losses. In addition, there is a risk that the leveraged positions will tend to be more volatile, and thus the Fund may experience greater volatility than investments in a comparable portfolio without leverage.

Currency risk – Currency risk is the risk that changes in currency exchange rates may change the value of securities that are not denominated in Australian dollars. For example, an increase in the value of the Australian dollar relative to other currencies may negatively impact the value of an investment in the Fund. While foreign denominated fixed income securities will generally be currency hedged, there may be times when the Fund is exposed to fluctuations in exchange rates.

High yield debt risk (sub-investment grade securities) – The Fund may invest in high yield securities which are securities that are rated below investment grade credit quality. Sub-investment grade securities (commonly called 'junk bonds') are speculative, less liquid and involve a greater risk of default or price change due to changes in the issuer's creditworthiness. The prices of high yield securities are generally subject to greater market risk and therefore react more sharply to changes in interest rates and accordingly the market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline more significantly in periods of general economic difficulty. Because high yield securities are frequently traded in markets where the number of potential purchasers and sellers may be limited, the Fund may not be able to sell these securities at their fair value either to meet redemption requests or to respond to changes in the financial markets.

Mortgage-backed / Asset-backed security risks – Investing in mortgage-backed and asset-backed securities poses additional risks:

- increased default risk and prepayment risk;
- the illiquidity of securities issued by certain private organisations;
- the possible default by insurers or guarantors supporting the timely payment of interest and principal;
- the lack of any insurers or guarantors against default of the underlying obligations;
- many mortgage-backed securities and asset-backed securities may be prepaid prior to maturity. During periods of falling interest rates, prepayments may accelerate, which would require the Fund to reinvest the proceeds at a lower interest rate.

International investments risk – The performance of international securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities.

Emerging market risk – The Fund may invest in securities issued by the governments of emerging markets or developing countries, and of companies organised or headquartered within those countries. Emerging markets or developing markets tend to be more volatile than developed markets as they are more likely to have economies based on only a few industries, securities markets which trade only a small number of securities, and may experience political instability, sudden changes in government policy, hyperinflation and currency devaluations and fluctuations which may adversely impact returns. The biggest risks for emerging market debt are broad credit risk, default risk, interest rate risk, and currency risk.

Emerging market debt is frequently rated below investment grade and usually has a higher risk of default. Such a default may impact the value of securities within the Fund and your investment.

Sovereign risk – This is the risk that a government or one of its agencies may default on its debt obligations. A government could intervene in the operation of financial markets, or impose regulations, such as foreign currency restrictions which prevent or limit the repatriation of foreign capital and also restrict the ability of issuers in that country to meet their obligations.

Market risk – Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates and exchange rates can all influence (negatively or positively) the value of the Fund's investments.

Liquidity risk – This is the risk that it may be difficult to realise within a reasonable time frame the full value of particular securities in which the Fund is invested because of market conditions or liquidity issues with respect to the specific securities, or the Fund itself may become illiquid. This could have a detrimental effect on the value of the investments, or may impact an investor's ability to withdraw from the Fund. These securities include lower quality debt securities (commonly called 'junk bonds') which are more speculative, less liquid and involve a greater risk of default or price change due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

We closely monitor cash levels in the Fund to manage this risk and ensure that there is adequate liquidity to meet the needs of investors in ordinary circumstances.

Regulatory risk – The risk that a change in government policies (including taxation), laws and regulations may adversely affect the value of an investment in the Fund or its underlying assets.

Counterparty risk – Counterparty risk is the risk of loss due to a counterparty to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) failing to perform its contractual obligations either in whole or in part.

The Investment Manager maintains a list of the approved counterparties which is modified as needed on an ongoing basis based on changes in the credit worthiness of current approved counterparties. To diversify risk, counterparty exposure is distributed among several counterparties.

Fund risk – Risks particular to the Fund include the risk that it could be terminated, the fees and expenses could change, GSFS could be replaced as Responsible Entity and Payden could be replaced as Investment Manager. There is also a risk that investing in the Fund may give different results from holding the underlying assets because of income or capital gains accrued in the Fund at the time of investing and the consequences of investment and withdrawal by other investors. You could receive back less than you invested and there is no guarantee that you will receive any income.

GSFS aims to keep Fund risk to a minimum by monitoring how these risks may impact on the Fund and by acting in the unit holders' best interest as a whole.

Investment Manager risk – The risk that in implementing the Fund's investment strategy the Investment Manager's investment decisions will not achieve the Fund's return objectives.

Short selling risk – The Fund may sell a derivative contract or currency exposure it does not own. This may involve a greater risk than buying a derivative contract or currency exposure as the securities used to cover the short position may not be available for purchase, or available at a favourable price. If the market price of the derivative contract or currency exposure increases after the Fund sells the derivative short, the Fund will suffer a loss when it replaces the borrowed security at the higher price.

Borrowing risk – Borrowing within the Fund could magnify the impact of any movements in the prices of the underlying investments of that Fund and therefore the value of your investment. Consequently, these investments may produce more volatile gains or losses compared to investing in the same investments without making use of borrowings. The Investment Manager does not intend to borrow for speculative purposes.

Service provider risk – The risk that third party service providers engaged by the Responsible Entity to provide certain services to the Fund including for example, administration, custody and valuation services, do not properly perform their obligations and duties and cause harm to the Fund.

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

5. How we invest your money

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

Location of assets

The Fund will invest in a wide variety of fixed and floating rate investment grade and below investment grade debt instruments and income producing securities traded on regulated markets worldwide, including emerging markets. Investments will be denominated in a variety of currencies from these countries. The Investment Manager considers the geographic location of assets on a case by case basis taking into account factors such as economic, technological, political, legal, liquidity and market conditions. There are no restrictions in relation to assets as long as they meet the investment limits and guidelines set out in the investment management agreement (**IMA**) and in the table on the following page.

J.P. Morgan holds the Fund's fixed interest securities and cash.

Assets which are not held by the Custodian (such as derivative contracts and associated collateral and margins paid and syndicated loans) are held by counterparties, registries and clearing houses which are primarily based in London, Germany and the United States.

The proportion of the Fund's investments not held in custody will vary over time. This includes investments such as syndicated loans and futures contracts.

How the Fund uses derivatives

The Fund uses derivatives, which may include forwards, futures, options and swaps (including interest rate swaps total return swaps and credit default swaps), to reduce risk, such as hedging currency exposure or the interest rate risk of a security, and to invest to take advantage of opportunities according to Payden's view. For example, the Investment Manager may have a negative outlook on interest rates (bond yields) in a country, but a positive outlook on the currency. Forwards allow the Investment Manager to take an outright currency position in this country, without having an underlying bond position. The Investment Manager may buy currency forwards if it has a positive view on a currency and sell currency forwards if it has a negative view. Derivative strategies are implemented in a risk-controlled manner in line with the Fund's 'Investment guidelines' set out on the following page.

The Investment Manager may also use derivatives to leverage the Fund or to create a net short position within the Fund, as long as the exposure limits to duration, portfolio credit quality and foreign exchange exposure, as detailed later in this section are adhered to.

The Investment Manager may invest in exchange-traded derivatives and over-the-counter (OTC) derivatives.

Many of the derivative contracts invested in will have a term of more than 28 days.

The Investment Manager may only enter into and execute derivative trades with counterparties which maintain at a minimum an issuer credit rating of at least one of A3 (Moody's), A (S&P) or A- (Fitch) or as otherwise approved by the Responsible Entity.

Only Clearing Houses with international capability and strong global reputations have been appointed to clear the Fund's exchange traded futures and options transactions.

Derivative contracts and associated collateral and margins paid are held by counterparties, registries and clearing houses which are primarily based in London, Germany and the United States.

Please also refer to 'Location of assets' previously in this section 'How we invest your money' for further information.

Investment guidelines

The Investment Manager has adopted the following guidelines in managing the Fund:

	Minimum	Maximum
Interest Rate Duration	-2 years	5 years
Sub-Investment Grade	0%	50%
Foreign Exchange Exposure	-20%	20%

Interest Rate Duration

Measures the sensitivity of the price of a fixed income investment (the value of principal) to a change in interest rates. Under normal conditions, the Interest Rate Duration of the Fund, including the impact of derivative instruments, is expected to range from minus two years to a maximum of five years.

Sub-Investment Grade (Portfolio Credit Quality)

The Fund provides exposure to a diversified portfolio of primarily short and intermediate term fixed income securities from developed and emerging markets. These will include global high yield securities, which are below investment grade credit quality. The investment guidelines limit the Fund's exposure to sub-investment grade credit quality securities to a maximum of 50% of the Fund's portfolio. The minimum average credit quality, including the impact of derivatives, of the fixed income portion of the Fund is set as Ba3 (Moody's) or BB- (S&P or Fitch). Refer to the definition of sub-investment grade securities in 'Important investment terms explained'.

Foreign Exchange Exposure

The base currency and neutral position of the Fund is the Australian dollar (AUD). The Fund will be hedged to this currency unless the Investment Manager expresses a specific market view. The Investment Manager seeks to limit foreign currency exposure, relative to the Australian dollar, to plus or minus 20% of the Fund's portfolio.

Please also refer to 'Location of assets' previously in this section.

Borrowing

The Investment Manager may borrow against all or any part of the investment portfolio, and pledge securities in the investment portfolio for the purpose of the efficient settlement of transactions. The Investment Manager will not borrow for speculative purposes or to leverage the portfolio. The Responsible Entity intends that the aggregate of new borrowings and any pre-existing borrowings will not exceed 20% of the investment portfolio's value.

Labour, environmental, social and ethical considerations

Payden & Rygel is a signatory to the United Nations Principles for Responsible Investment Initiative (**UN PRI**). As a signatory to the UN PRI, Payden carefully studies the range and implications of environmental, social or ethical and governance risks and opportunities and incorporates this analysis into the investment decision making process, including for the purpose of selecting, retaining or realising investments, where such risks may materially impact the Fund's financial performance. It should be noted that Payden does not consider labour standards to be a separate category, but includes them as a part of social and ethical considerations.

Payden has no predetermined view about what it considers to be environmental, social, ethical or governance considerations. That determination depends on the facts of the particular case. However, in any particular case, it will take into account any environmental, social, ethical or governance consideration that it determines to exist as part of the investment decision making process. Similarly, there is no predetermined methodology as to the analysis, monitoring or weighting of these considerations. That determination also depends on the facts of the particular case.

Important investment terms explained

You should read and ensure you understand the following investment terms before you invest in the Fund. You should also seek advice from a qualified financial adviser before investing in the Fund.

Absolute return: Absolute return is a measure of the gain or loss in an investment portfolio expressed without reference to any other measure, such as a market index.

Agency bond/issue: This is a bond issued by a U.S. government-sponsored agency, such as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Mortgage Corporation (Freddie Mac).

Asset-backed securities: Asset-backed securities are bonds or notes collateralised by the cash flows from a specified pool of underlying assets. Assets are pooled to aggregate otherwise minor investments, while also generally diversifying the underlying assets. These asset pools can comprise any type of receivable. Common types of receivables include credit card payments, automobile loans, home equity loans and student loans.

Convertible bonds: A convertible bond is a corporate bond that the bond holder may exchange, at a certain price, for common stock in the company issuing the bond.

Corporate bonds: Corporate bonds are the debt securities issued by a public company to raise capital usually to expand its operations or to fund new business ventures.

Credit default swaps: Credit default swaps are a credit derivative between two counterparties where the buyer makes periodic payments to the seller, and in return receives a payoff (usually the full notional value or 'par value) in the event that the issuer of the underlying financial instrument defaults.

Currency: The Fund will normally conduct its foreign currency exchange transactions either on a spot (cash) basis at the spot rate prevailing in the foreign currencies, or on a forward basis (contracts to purchase or sell a specified currency at a specified future date and price). Currency transactions are used primarily to protect the Fund from adverse currency movements but may also be used to increase exposure to a currency. The Fund will generally not enter into a forward contract with a term of greater than one year.

Derivatives: Generally, derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index, including stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples of derivative instruments include options contracts, futures contracts, options on futures contracts and swap agreements (including, but not limited to, interest rate, total return and credit default swaps).

Emerging markets debt: These are the securities issued by the government or corporations from a country that is defined as an emerging or developing economy by the World Bank or the International Monetary Fund (**IMF**).

Exchange traded derivative: An exchange traded derivative is a standardised contract that is traded through an authorised exchange and then booked with a central party known as a clearing house.

Forward contract: Also known as a forward, this is a derivative instrument. A forward is a non-standardised contract between two parties to purchase or sell, for example an asset or a currency, at a specified future date and price. Some forwards may settle via a centralised or other exchange.

Futures contract: A futures contract is an agreement between two parties to buy and sell, for example a financial instrument, for a set price on a future date. These contracts are traded on exchanges, so that in most cases, either party can close out its position on the exchange for cash before the settlement date, without delivering the security or commodity. An option on a futures contract gives the holder of the option the right to buy or sell a position in a futures contract to the writer of the option, at a specified price and on or before a specified expiration date.

Government bonds: Government bonds are debt securities issued directly by a national government, such as U.S. Treasury bills, notes, and bonds. While interest payments and the face value payment at maturity are generally promised to be repaid by the issuing government, it is possible for capital gains or losses to be made if bonds are sold prior to maturity.

Investment grade securities: An investment grade security is a debt security, such as a government bond or corporate bond, which has an high enough independent rating to indicate that it has a relatively low risk of default. Investment grade debt securities are rated within the four highest grades by at least one of the major rating agencies, such as Standard & Poor's (at least BBB-), Moody's (at least Baa3) or Fitch (at least BBB-).

Mortgage-backed security: This is a type of asset-backed security that is secured by a mortgage or a collection of mortgages.

Over-the-counter (OTC) derivative: An OTC derivative is a privately negotiated contract between two parties 'counterparties' and booked directly with each other. The use of OTC derivatives (such as forward foreign exchange contracts) exposes the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

Syndicated bank loans: These are corporate loans that are bought or traded by a group of banks, other financial institutions and institutional investors. Syndicated loans may be secured or unsecured. When purchasing such a loan the Fund assumes the credit risk associated with the corporate entity and may also assume the credit risk associated with the intermediary bank or financial institution.

Sovereign and supranational securities: The term sovereign bond is usually used to describe a bond issued by a national government and denominated in a foreign currency whereas bonds issued by a national government in the country's own currency are referred to as government bonds. A supranational bond is a security issued by an entity that does not have one particular national identity, such as the European Central Bank (**ECB**) or the World Bank.

Sub-investment grade securities: Sub-investment grade securities are lower quality debt securities also known as 'junk bonds'. They are more speculative, less liquid and involve a greater risk of default or price change due to changes in the issuer's creditworthiness.

Swaps: A swap is an agreement between two parties (counterparties) to exchange one set of cash flows for another. An interest rate swap is often used to manage a portfolio's exposure to fluctuations in interest rates. The counterparties will exchange a fixed rate of interest payment for a floating interest rate payment at an interval determined by the parties which may be monthly, quarterly, annually or at any other predetermined interval. A currency swap involves the exchange of principal or interest on a loan in one country for the same in another currency. Swaps are traded in the OTC market.

Total return swap: A total return swap is an agreement between two parties (counterparties) in which one party makes payments based on a set rate, which can be either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually an equity index, loans, or bonds. This is owned by the party receiving the set rate payment.

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 another part of this document. Please refer to section 7 'How managed investment schemes are taxed' for more information on taxes. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Payden Global Income Opportunities Fund

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit Fee The fee to close your investment	Nil	Not applicable
Management Costs [1, 2, 3]		
The fees and costs for managing your investment	0.73%pa of net asset value	Management costs consist of the following components (1) management fee of 0.70%pa of net asset value (2) indirect costs of 0.03%pa of net asset value.[4] These costs are not deducted directly from your account. Instead we calculate and accrue the Management Costs daily in the unit price of the Fund. These are paid to the Responsible Entity monthly in arrears from the assets of the Fund.
Service Fees		
Switching Fee The fee for changing investment options	Nil	There is no Switching Fee

1. All fees and costs are inclusive of GST and any applicable stamp duty and net of any applicable 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' in this document for further information.
4. The indirect costs quoted in the PDS are based on information for the previous financial year. Where new costs information is not materially adverse, the updated information will be posted on our website www.gsfm.com.au and we will advise you in the next regular communication after the change. If there is a material change to the costs we will issue a replacement PDS.

Additional explanation of fees and costs

Management costs

Management costs are composed of a management fee component and an indirect costs component as set out in the table above. The management costs do not include transactional and operational costs.

Management Fee

The Management Fee for the Fund is 0.70% 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 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.

Indirect costs

Indirect costs are any amounts paid from the Fund's assets that we know or where required, reasonably estimate will reduce the Fund's returns (including certain costs of investing in over-the-counter (OTC) derivatives), other than the management fee and abnormal costs as set out elsewhere in this section. The indirect costs in the table on page 10 include (a) the indirect costs that the 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 the amount shown in the table on page 10.

As at the date of this PDS, the Fund does invest in OTC derivatives to gain investment exposure to certain assets and does expect to do so in the upcoming financial years. The indirect costs of investing in OTC derivatives for the previous financial year is 0.03%pa of net asset value.

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 relevant class of the Fund for which such a cost or expense is incurred. In the last financial year these costs were zero. 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. However, if any abnormal costs or other expenses are to be deducted we will give you 30 days written notice.

Transactional and operational costs

Transactional and operational costs are costs associated with 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 recovered as incurred and reflected in the unit price and are 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 have been offset by the buy/sell spread recovery.

The transactional and operational costs for the Fund for the previous financial year were approximately 0.06% pa of the net asset value of the Fund. The transactional and operational costs for the Fund for the previous financial year were fully recovered by the buy/sell spread. 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.

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 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 0.10% 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 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 0.10%. Therefore, the cost of an investment of $50,000 into the Fund would be $50.

The current sell spread on a withdrawal from a Fund is 0.10%. Therefore, the cost of a withdrawal of $50,000 from the Fund would be $50.

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

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% of the application/withdrawal amount, a Management Fee of 3% per annum 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% of the performance of the Class A units of the Fund. We have elected to limit our Management Fee to 0.70% and in the case of the Contribution Fee, Withdrawal Fee and Performance 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 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 the PDS.

mFund investors

If you are investing through mFund, additional fees may also be payable directly to your broker, or your financial adviser who uses a stockbroking service on your behalf. You should consider the Financial Services Guide provided by your broker or financial adviser.

Fund manager and platform access payments

There are circumstances when we may, subject to the law, pay a platform to make the Funds 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 GSFS 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 GSFS 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;
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.

Both 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 Funds is identical and
- any rebates that we pay to wholesale investors, other investors or to staff are not an additional cost to the Funds 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

Grant Samuel Funds Management Pty Limited (GSFM) is a related party of GSFS. GSFM provides distribution, administrative and support services to GSFS. GSFS pays fees to GSFM in this regard 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 would become an AMIT commencing from 1 July 2017. 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 relevant 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.

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.

* *We will send you an annual tax statement indicating the components of your distribution (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.*

Gains on transfer and redemptions 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.

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).

Tax File Number (TFN) or Australian Business Number (ABN)

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%), totaling 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, the 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 the 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

Consents

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

- Payden & Rygel Global Limited as investment manager of the Fund;
- J.P. Morgan Chase Bank as custodian and administrator to the Fund; and
- Mainstream Fund Services Pty Limited as unit registry for the Fund.

Each of these persons named above:

- has not authorised or caused the issue of this PDS; and
- does not make or purport to make any statement in this PDS (or any statement on which a statement in this 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 PDS other than the reference to their name in a statement or report included in this 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’s 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 Pty Ltd***, (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 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.

GS3049/3°

Payden&Rygel
Investment Management

GRANT SAMUEL
FUNDS MANAGEMENT