



MUNRO

# MUNRO CONCENTRATED GLOBAL GROWTH FUND ACTIVE ETF

Product Disclosure Statement

Ordinary units | ASRN 654 019 940 | ASX Code MCGG

21 October 2024

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This Product Disclosure Statement (PDS) dated 21 October 2024 is issued by GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517, (GRES, the **Responsible Entity**, **we**, **us** or **our**), the responsible entity for the Munro Concentrated Global Growth Fund Active ETF ARSN 654 019 940 ABN 60 182 940 733 (**Fund**).

All rights and entitlements of a unit relates to the rights, entitlements, obligations, liabilities and other amounts referable to the Fund. No other fund, trust or class of units is offered in this PDS. It is important that you read this PDS carefully before deciding whether to invest.

In preparing this PDS, we have not taken into account the investment objectives, needs or financial position of any person. Before making an investment decision on the basis of this PDS, investors should consider whether investing in the Fund is suitable to their individual circumstances and seek advice from a qualified financial adviser.

## Important information

The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand and does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer. Such investors may use this PDS for informational purposes only. Investors can buy units on the AQUA market of the ASX through a stockbroker, trading platform or via a financial adviser.

No information or representation in connection with the Fund, which is not contained within this PDS, should be relied upon in making an investment decision about the Fund. No person is authorised to make representations in respect of the Fund which are not contained in this PDS.

GRES has appointed the general partnership, which trades as Munro Partners, as investment manager of the Munro Concentrated Global Growth Fund (ARSN 630 173 189) (**Underlying Fund**) (**Munro** or **Investment Manager**) and has entered into a services agreement under which Munro will provide certain services to the Fund. Munro Partners has been appointed as an authorised representative (number 1244894) of Munro Asset Management Limited ABN 28 163 522 254 AFSL 480509 (**Munro Asset Management**).

An investment in the Fund is subject to investment and other risks, including possible delays in payment and loss of income and capital invested. Investments in the Fund are not deposits with or other liabilities of the Responsible Entity or any of its related bodies corporate, affiliates, associates or officers. None of GRES, Munro, JPMorgan Chase Bank N.A. (Sydney Branch) (the **custodian**) nor their related bodies corporate, affiliates, associates or officers, guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund. For more details on the risks, please refer to **Section 4** of this PDS, **Risks of investing in the Fund**.

No person other than the Responsible Entity has caused or authorised the issue of this PDS nor do any of them take any responsibility for the preparation of this PDS or the establishment or performance of the Fund. The Australian Securities and Investments Commission (**ASIC**) takes no responsibility for the contents of this PDS.

The information in this PDS is up-to-date at the time of preparation. However, some information may change from time to time. If a change is considered materially adverse, we will issue a supplementary PDS or a new PDS. Information in this PDS that is not materially adverse to investors can be updated by us. The updated information will be available on our website, [gsfm.com.au](https://gsfm.com.au). Please check our website, contact your financial adviser, or call 1300 133 451 for any updates prior to investing. A paper copy of any updates will be provided free of charge on request.

Photographs and images in this PDS do not represent assets of the Fund unless otherwise indicated.

A paper copy of this PDS (and any supplementary documents) can also be obtained free of charge on request by calling 1300 133 451.

## Warning Statement for New Zealand Investors

The following disclosure is made to enable us to offer the Fund's units in New Zealand under the mutual recognition scheme between Australia and New Zealand.

### Warning Statement

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand ([fma.govt.nz](https://fma.govt.nz)). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## KEY FEATURES

Fund feature	Summary	Where to find more information
Investment objective, timeframe and risk		
Investment return objective	<p>The Fund seeks to maximise long-term capital appreciation primarily through exposure to a concentrated long only portfolio of growth-oriented equities issued by companies located anywhere in the world (ex-Australia). The Fund aims to achieve a return greater than the MSCI World (Ex-Australia) Index (Net) in \$A (<b>Benchmark</b>) over a 5 to 7 year period.</p> <p>The Fund is not intended to replicate the Benchmark.</p>	Further information regarding the <b>Investment Strategy</b> and <b>how the Fund is managed</b> can be found in Section 2.
Benchmark	MSCI World (Ex-Australia) Index (Net) in \$A	
Investor profile	The Fund is designed for investors seeking a long term exposure to a concentrated portfolio of high quality global growth equities with the potential for capital gains. The Fund may suit investors who are prepared to accept the risks of the Fund set out in Section 4.	
Minimum suggested time frame for holding investment	<p>At least 5 years.</p> <p>Please note this is a guide only, not a recommendation.</p>	
Risk level of the Fund	<p>Very High</p> <p><b>Compared to an investment in funds that have invested in assets such as fixed interest or cash there is a relatively high risk of the value of your investment going down in any year.</b></p>	The key risks are set out in Section 4.
About the Fund	<p>The Fund will gain its exposure to international equity markets by investing in the Munro Concentrated Global Growth Fund (ARSN 630 173 189) (<b>Underlying Fund</b>) and cash and cash equivalents.</p> <p><b>In this PDS, where we refer to the Fund's investments we generally do so on a 'look-through' basis; that is, we are referring to the underlying assets that the Fund is exposed to through its investment in the Underlying Fund.</b></p>	
Investment strategy		
Investment strategy and how the Fund is managed	<p>The Fund will gain its investment exposure by investing in units in the Underlying Fund, the Munro Concentrated Global Growth Fund, and cash or cash equivalents.</p> <p>The Underlying Fund invests primarily in listed equities from around the world, except Australia. The investment strategy is designed to identify sustainable growth trends that are under-appreciated and mispriced by the market, and the resulting winning stocks.</p> <p>Munro utilises its proprietary investment process to generate a focused investment universe and filters these structural growth ideas into a concentrated portfolio of investments. This is achieved by leveraging top-down thematic views ('Areas of Interest' or 'Aol') and Munro's bottom-up stock library to generate high conviction investment ideas.</p> <p>Key investment ideas are further screened through a combination of clear and defined quantitative and qualitative tests to build a collection of high conviction, index, region and sector unaware investments.</p> <p>Positions are established in companies that Munro considers having unrecognised potential.</p> <p>Typically, the Underlying Fund has a concentrated portfolio ranging between 20 and 40 listed equities.</p>	<p>Further information regarding the <b>Investment strategy</b> and <b>how the Fund is managed</b> can be found in Section 2.</p> <p>The risks associated with the Fund's investment strategy are set out in Section 4.</p> <p>The Fund's risk management strategy is set out in Section 2.</p>
Investment guidelines	<p>The portfolio of the Fund, through its investment in the Underlying Fund, will be constructed observing the following guidelines:</p> <p><b>Portfolio concentration:</b> typically, the Fund will hold between 20-40 listed equities;</p> <p><b>Position sizing:</b> maximum 10% of Net Asset Value (<b>NAV</b>) at cost.</p> <p>The Fund may move out of these ranges from time to time, for example, due to market movements. The Fund will be brought back into these limits as soon as practicable.</p>	<p>Further information regarding portfolio construction can be found in Section 2.</p> <p>The risks associated with the Fund's investment strategy are set out in Section 4.</p> <p>The Fund's risk management strategy is set out in Section 2.</p>



Fund feature	Summary	Where to find more information
Asset classes	Through its investment in the Underlying Fund, the Fund will be exposed to international equities of 90-100% and cash of 0-10%.	More information on the asset classes the Fund and Underlying Fund invest in can be found in Section 2.
	As the Underlying Fund's investments can change at any time and are primarily listed international equities sourced on global markets, the geographical location of material assets of the Underlying Fund can be anywhere in the world, except Australia.	
	The above asset classes are ranges for the Underlying Fund, in which the Fund will invest. If market movements, investments into or withdrawals from the Underlying Fund, or changes in the nature of an investment, cause the Underlying Fund to move outside these ranges, or a limit set out in this PDS, this will be addressed by GRES or Munro as soon as reasonably practicable.	
Risk management	Munro Partners employs stop losses on all equity positions. Munro employs two key stop losses: <ul style="list-style-type: none"><li>• A stock fall of more than 20% from peak</li><li>• A stock fall of more than 20% from cost</li></ul>	The key risks are set out in Section 4.  Further information about the risk management of the Fund is set out in Section 2.
	In the event a stock triggers on the stop loss framework, it is reviewed on a weekly basis by the investment team. The position must be successfully defended or is removed from the portfolio.	
	The portfolio management system is used to provide real time reporting and pre/post trade compliance.	
	Munro monitors portfolio correlations, sector risks, style exposure and aggregate valuation metrics.	
Investment Manager		
Investment Manager	Munro Partners ( <b>Munro</b> or <b>Investment Manager</b> )  The Chief Investment Officer for the Fund is Nick Griffin. The investment team includes portfolio managers Jeremy Gibson, James Tsinidis, Kieran Moore, and Qiao Ma.	Information on Munro and the Investment team can be found in Sections 1 & 8.
Fund structure		
Fund structure	The Fund is a registered managed investment scheme whose units trade on the AQUA market of the ASX. The Fund invests in units in the Underlying Fund, which is an unlisted registered managed investment scheme. GRES is the responsible entity of both the Fund and the Underlying Fund.	The risks associated with the Fund's structure are set out in Section 4.
	GRES has appointed a number of key service providers, including Munro, that are involved in the ongoing operation and administration of the Fund.	Further information regarding the key service providers is set out in Section 2.
Type of investment	The Fund is a managed fund which is a registered managed investment scheme, whose units trade on the AQUA market of the ASX. This means investors have the opportunity to buy or sell a diversified portfolio of assets in a single transaction.	
Administration and Unit Registry	JPMorgan provides administration services for the Fund and the Underlying Fund.  Apex Fund Services Pty Ltd ( <b>Apex Fund Services</b> ) provides unit registry services for the Fund and the Underlying Fund.	Section 2
Custodian	JPMorgan Chase Bank NA (Sydney Branch) ( <b>JPMorgan</b> ) provides custody services for the Fund and the Underlying Fund.	

Fund feature	Summary	Where to find more information
Market making	The Responsible Entity, on behalf of the Fund, acts as the market maker for the Fund providing liquidity to market participants. At the end of each Business Day, Units are created or cancelled by the Responsible Entity depending on the net quantity traded for that particular day on the ASX.	Section 6  The risks associated with market making are set out in Section 4.
	The Responsible Entity has appointed Macquarie Securities (Australia) Limited ( <b>Macquarie</b> ) as agent to execute its market making activities as a trading participant under the ASX Operating Rules.	
	The Fund will bear the risk of the market making activities undertaken by the Responsible Entity on the Fund's behalf, which may result in either a cost or benefit to the Fund.	
	The liquidity provided by the market maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the market maker to create and redeem units.	
Valuation, location and custody of assets		
Valuation, location and custody of assets	The Fund's assets are valued each business day by the Fund's administrator who will act as the administrator for both the Fund and the Underlying Fund.	Further information regarding the Fund's valuation policy is set out in Section 6.
	Assets and liabilities of the Fund are generally valued at their market value in accordance with the Constitution.	The target asset allocation ranges for the Fund are provided in Section 2.
	The Fund, via its investment in the Underlying Fund, invests primarily in listed international equities. The assets of the Underlying Fund will be denominated in a variety of foreign currencies.	Further information regarding the custodian is set out in Section 2.
Net Asset Value and iNAV	The NAV of the Fund is calculated on each Business Day in accordance with the Constitution. The NAV incorporates the value of the assets of the Fund, less any liabilities of the Fund. The NAV per unit is calculated by dividing the NAV of the Fund by the number of Units on issue in the Fund.	Section 6
	An indicative NAV per Unit ( <b>iNAV</b> ) will be calculated and published by a pricing agent on behalf of the Fund throughout the ASX Trading Day. The iNAV is updated for foreign exchange movements in the Fund's portfolio stocks by individual stock domicile and is updated in respect of non-ASX stocks that have live market prices during the ASX Trading Day. Portfolio stocks that are not traded during the ASX Trading Day are valued using their last traded price and adjusted by any changes in their corresponding exchange's futures index in accordance with the iNAV provider's fair valuation methodology.	
Liquidity		
Liquidity	At the date of this PDS, we reasonably expect that at least 80% of the Fund's assets are capable of being realised, at the value ascribed to those assets when calculating the Fund's most recent NAV, within 10 days.	Section 2
Market liquidity	Investors can buy and sell units from/to other investors in the secondary market in the same way as other listed ASX securities. Macquarie, in its capacity as market making agent of the Fund, provides liquidity to investors by acting as a buyer and seller of units.	The risks associated with ASX liquidity are set out in Section 4.
	The Fund may not always be able to make a market in times of uncertainty about values, due to its duty to act in the best interests of members.	

Fund feature	Summary	Where to find more information
<b>Withdrawals</b>		
Entering and exiting the fund	<p>Subject to market conditions, investors can enter and exit the Fund by buying and selling units on the AQUA market on the ASX at the prevailing market prices for the units.</p> <p>Investors may also be able to make an off-market withdrawal request to withdraw their investment from the Fund where trading in the units has been suspended for more than five consecutive ASX Trading Days, subject to the provisions of the Fund's Constitution.</p> <p>There may be circumstances where applications into or withdrawals from both the Fund and/or the Underlying Fund are suspended. This may occur, for example, because of financial market disruptions or closures, or where we reasonably consider it to be in the interests of investors. If this occurs, in determining the value of an asset, we will use the asset values determined after the suspension is lifted. We will generally honour all withdrawal requests from unit holders in the Fund and/or the Underlying Fund (including that of the Fund, subject to the Fund and/or the Underlying being liquid (as relevant). If either the Fund and/or the Underlying 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 accordance with the Constitution and/or the Underlying Fund's Constitution and the Corporations Act.</p>	Further information about buying and selling units, off market withdrawals, suspension of redemptions and what happens if the Fund/ Underlying Fund become illiquid are provided in Section 6.
<b>Changes</b>		
Changes to Fund details	<p>We have the right to close or terminate the Fund and change the Fund's investment return objective, investment strategy, benchmark, asset classes and asset allocation ranges and limits, without prior notice in some cases.</p> <p>We will inform investors of any material change to the Fund's details in the next regular communication or as otherwise required by law, which in some circumstances, may require prior notice to investors or the issue of a supplementary PDS or new PDS. Information in this PDS that is not materially adverse to investors may be updated by us and will be available on our website, <a href="http://gsfm.com.au">gsfm.com.au</a>. A paper copy of any updates will be provided free of charge on request.</p>	

Fund feature	Summary	Where to find more information
<b>Product features</b>		
Management fee <sup>1,2</sup>	0.70% p.a. of the NAV of the units of the Fund.	Further information on the management fee is provided in Section 5.
Performance fee <sup>1,2</sup>	A Performance Fee of 10.00% of the excess return per unit, over each Calculation Period (the six months to 31 March and 30 September each year), multiplied by the number of units on issue at the end of the Calculation Period less the Equalisation Reserve plus any Crystallised Performance Fee. The Accrued Performance Fee is also subject to exceeding a High Watermark and to a Performance Fee Limit. The Performance Fee is calculated daily and paid half yearly. The Responsible Entity and Investment Manager will waive any performance fee that is attributable to profits from market making activities.	Further information on the Performance Fee is provided in Section 5.
Distribution	Generally, annually. However, there may be periods when no distributions are made.  Information in relation to distributions will be disclosed to the ASX via the ASX Market Announcements Platform.  You can find more information about participating in the Distribution Reinvestment Policy (DRP) in Section 6.	Section 6
Base currency	The Fund is denominated in Australian dollars.	More information can be found in <b>Currency Management</b> in Section 2.
<b>Reporting</b>		
Monthly and Quarterly Fund Updates	Monthly and Quarterly Fund Updates are available on the website <a href="http://gsfm.com.au">gsfm.com.au</a>	Section 9
Transaction confirmations	Investors buying or selling units in the Fund on the ASX will receive transaction confirmations from their stockbroker or trading platform.	
Continuous disclosure	The Fund has certain regular reporting and continuous disclosure obligations pursuant to the Corporations Act 2001. All continuous disclosure notices are available at <a href="http://gsfm.com.au">gsfm.com.au</a> .	Section 9
CHESS Holding statements	When investors purchase Units on the ASX they will receive a holding statement from the unit registrar which sets out the number of units they hold. The holding statement will specify the "Holder Identification Number" allocated by CHESS or "Security Holder Reference Number".	Section 9
Unit pricing	The Fund's NAV and NAV per unit are calculated each business day and posted on the website <a href="http://gsfm.com.au">gsfm.com.au</a> .  Unit prices are calculated each business day and posted on the website <a href="http://gsfm.com.au">gsfm.com.au</a> .	Section 6
Annual Fund reporting	Annual financial report for the Fund <sup>3</sup> Annual Investment Statement	Section 9
Annual tax reporting	Attribution Managed Investment Trust (AMIT) Member Annual Statement (AMMA Statement)	Section 7

1. Please refer to Section 6 **Fees and other costs** of this PDS for complete details on fees and charges and how they are calculated.
2. All fees are inclusive of GST, less any applicable input tax credits and reduced input tax credits
3. Available at [gsfm.com.au](http://gsfm.com.au). A paper copy will be provided free of charge on request.



## AQUA RULES

The units in the Fund are quoted for trading on the AQUA market of the ASX under the AQUA Rules. The AQUA Rules form part of ASX Operating Rules. The Fund is not listed on the ASX under the ASX Listing Rules.

The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

In operational terms, the market for products quoted under the AQUA Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

As most investors are more familiar with the ASX Listing Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules which are set out below:

### ASX Listing Rules

### ASX AQUA

Control	
<p>An issuer:</p> <ul style="list-style-type: none"> <li>controls the value of its own securities and the business it runs, and</li> <li>the value of those securities is directly influenced by the equity issuer's performance and conduct. E.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</li> </ul>	<p>An issuer:</p> <ul style="list-style-type: none"> <li>does not control the value of the assets underlying its products, but</li> <li>offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities.</li> </ul> <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself. E.g. managed fund issuer does not control the value of the shares it invests in.</p>

### Continuous Disclosure

<p>Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act but must disclose information about:</p> <ul style="list-style-type: none"> <li>the net tangible assets (NTA) or the NAV of the funds;</li> <li>dividends, distributions and other disbursements;</li> <li>net monthly redemptions;</li> <li>and any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act must be disclosed to ASX via the ASX Company Announcement Platform at the same time it is disclosed to ASIC.</li> </ul> <p>The AQUA Rules require an issuer of a product quoted under the AQUA Rules to provide the ASX with information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</p>
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### Periodic Disclosure

<p>Issuers must disclose their half yearly and annual financial information or their annual report to the ASX under Chapter 4 of the ASX Listing Rules.</p>	<p>Issuers of products quoted under the AQUA Rules are not required to disclose half yearly and annual financial information or annual report to the ASX. However, the Responsible Entity is required to lodge with ASIC and disclose to the ASX the Fund's financial reports (as required under Chapter 2M of the Corporations Act).</p>
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## ASX Listing Rules

## ASX AQUA

## Corporate Control

Requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes.

Certain requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules.

An issuer of products quoted under the AQUA Rules are subject to a general requirement to provide the ASX with any information concerning itself that may lead to the establishment of a false market or materially affect the price of its products.

Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity of a registered managed investment scheme by an extraordinary resolution of members.

## Related Party Transactions

Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.

Chapter 10 of the ASX Listing Rules does not apply to AQUA products.

However, because the Fund is a registered managed investment scheme, we are still required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act relating to related party transactions.

## Auditor Rotation

There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act.

Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act.

Responsible entities of registered managed investment schemes will continue to be required to undertake an independent audit of its compliance with its scheme's compliance plan in accordance with section 601HG of the Corporations Act.

## Disclosure

Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS.

Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act.

# 1 ABOUT GSFM RESPONSIBLE ENTITY SERVICES AND MUNRO PARTNERS

## The Responsible Entity

GSFM Responsible Entity Services Limited (**GRES, Responsible Entity, we, us, our**) is the responsible entity for the Fund and the Underlying Fund.

The responsibilities and obligations of GRES as the Scheme's responsible entity are governed by the constitution of the Scheme (**Constitution**), the *Corporations Act 2001* (Cth) (**Corporations Act**) and general trust law.

As responsible entity, GRES issues units in the Fund and is legally responsible to the unit holders of the Fund for its operation.

## Investment Manager

The Responsible Entity has appointed Munro Partners to act as Investment Manager for the Underlying Fund pursuant to an investment management agreement (**Investment Management Agreement**). The Responsible Entity and Munro have also entered into a services agreement under which Munro will provide certain services to the Fund (**Services Agreement**). Munro Partners has been appointed as an authorised representative (number 1244894) of Munro Asset Management.

Munro is an investment manager whose core focus is global growth equities. Munro aims to identify both the sustainable growth trends that are under appreciated and mispriced by the market, and the resulting winning stocks.

Munro seeks to maximise long term capital appreciation primarily through exposure to a concentrated portfolio of growth oriented equities issued by companies located anywhere in the world, except Australia.

For more information on the Investment Management Agreement and the Services Agreement please refer to **Material contracts** in Section 8 of the PDS.

## The Investment team

Munro's investment team is led by CIO Nick Griffin. Nick has over 25 years' investment market experience, including managing global equity mandates out of Melbourne and Edinburgh for over 15 years.

The investment team includes Portfolio Managers Jeremy Gibson, Kieran Moore, James Tsinidis and Qiao Ma.

Portfolio Manager	Industry start date	Date joined Munro
Nick Griffin CIO & Co-Founding Partner	February 1996	March 2016
Jeremy Gibson Portfolio Manager & Partner	September 2003	September 2017
Kieran Moore Portfolio Manager & Partner	March 2014	July 2016
James Tsinidis Portfolio Manager & Partner	November 2004	November 2016
Qiao Ma Portfolio Manager & Partner	January 2006	February 2023

## 2 ABOUT THE FUND

### Fund structure

The Fund is a registered managed investment scheme whose units trade on the AQUA market of the ASX. The Fund primarily invests in units of the Munro Concentrated Global Growth Fund ARSN 630 173 189 (**Underlying Fund**), an unlisted registered managed investment scheme.

Investors in the Fund hold units in the Fund, which represent their beneficial interest in the assets of the Fund, but do not give an interest in any particular asset of the Fund. We may at our discretion, issue additional units in the Fund of the same class or of a different class to the units already on issue.

### Investment objective

The investment return objective of the Fund is to maximise long term capital appreciation primarily through exposure to a concentrated long only portfolio of growth oriented equities issued by companies located anywhere in the world, except Australia. The Fund aims to achieve a return greater than the MSCI World (Ex-Australia) Index (Net) in \$A (Benchmark) over a 5 to 7 year period.

The Fund is not intended to replicate the Benchmark.

The Fund seeks to achieve its investment objective by investing primarily in units in the Underlying Fund.

### Investment philosophy

Munro's 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 principles:

- Earnings growth drives stock prices**  
Companies that consistently earn more than the year before are generally rewarded with higher stock prices over time.
- 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.
- 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 assessed through a combination of clear and defined quantitative and qualitative tests to build a portfolio of high conviction investments.

### Investment strategy and how the Fund is managed

#### Investment Strategy

Munro's investment strategy can be summarised as follows:

#### Munro is focused on growth

Of the over 50,000 listed companies in the world, many profess to be growing, but only a small portion actually grow independently of the broader economic cycle. This is where the Munro investment process focuses. Identifying sustainable growth trends, that are under appreciated and mispriced by the market, and the resulting winning stocks.

#### Munro goes the extra mile

Munro's comprehensive and disciplined investment process seeks earnings upside/ downside, valuation multiple upside/ downside and catalysts. This process eliminates those areas where the investment trends are well understood and appreciated by the market, while isolating ideas where the market has mispriced the growth and its sustainability.

#### Munro is a stock picker

The investment process generates a high hit rate of performing ideas and allows them to be appropriately sized and monetised over long time periods. Munro's concentration on stock and sector bets is important, while risk management, portfolio construction and rigorously eliminating underperforming positions are crucial to generating strong returns and

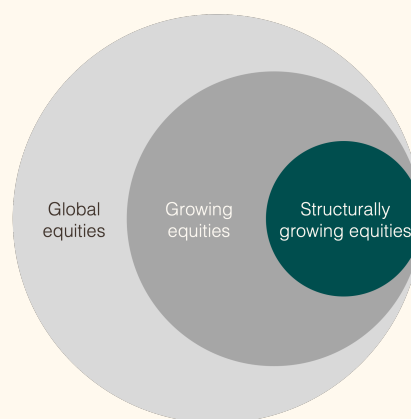
outperformance over multiple cycles.

The Fund has an investment horizon of five to seven years and may be suitable for investors seeking capital growth via exposure to global shares and who are prepared to accept the risks of the Fund set out in Section 4 of the PDS.

### Investment Process

Munro's proprietary 4 step process generates a focused investment universe and filters these structural growth ideas into a concentrated portfolio of investments. This is achieved by leveraging top-down thematic views and Munro's bottom-up stock library to generate high conviction investment ideas. The full list of Munro's Aols are listed on the Munro website [munropartners.com.au/how-we-invest/areas-of-interest](http://munropartners.com.au/how-we-invest/areas-of-interest).

#### Step 1: Idea generation

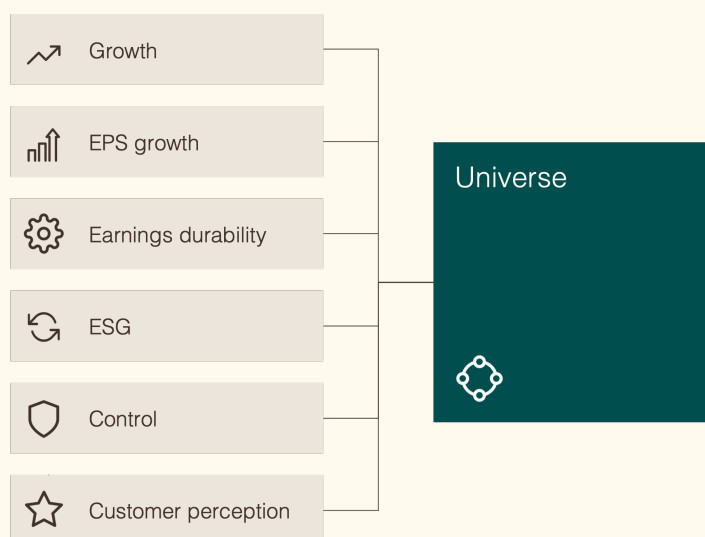


Ideas are generated from a combination of top-down thematic and bottom-up views.

The investment management team identifies medium-to-long-term structural themes and the resulting investment trends, and distinguishes between trends that are well understood and priced-in by the market, and those that are under appreciated and overlooked.

The goal of this first step is to identify potential investments that may qualify for Munro's focused universe of structurally growing equities.

#### Step 2 - Idea evaluation qualitative



Once identified, key investment ideas must pass through six qualitative tests to be included in the universe of structurally growing equities.

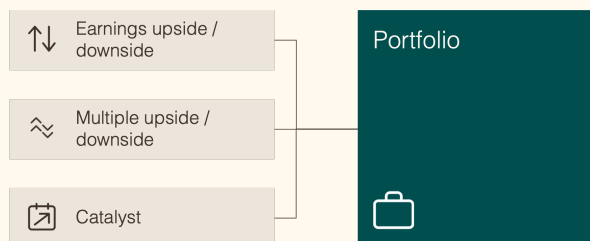
Munro looks for the following six key company characteristics to gauge whether a listed company is likely to benefit or lose from a particular growth trend and whether that will be sustained over an extended period of time:

- Growth:** included companies should exhibit faster revenue growth versus peers and a growing total addressable market;
- Earnings per share (EPS) growth:** included companies should exhibit pricing power or economic leverage to be able to improve margins;

- **Earning durability:** included companies should exhibit an ability to sustain their growth due to scale, position, intellectual property and /or locational advantages;
- **ESG:** included companies should have strong management of environmental, social and governance risks and opportunities, determined through a proprietary ESG score;
- **Control:** included companies should exhibit strong management ownership, and incentives; and
- **Customer perception:** included companies should exhibit strong customer reviews and rapid adoption of its products and/or services.

Once investment ideas have been included in Munro's focused investment universe, they are then subjected to the three quantitative tests below before being considered for inclusion in the portfolio.

### Step 3: Idea evaluation quantitative



- **Earnings upside/downside:** build in-house valuation model with bull and bear case scenarios to assess Munro's earnings assumptions versus consensus assumptions;
- **Multiple upside/downside:** evaluate a corporate characteristics score to determine the appropriate earnings multiple and subsequent price target; and
- **Catalysts:** map the catalyst calendar for the timing and magnitude of potential earnings and multiple re-ratings.

Having been evaluated via the quantitative tests, key investment ideas must rate highly in at least two of the three quantitative factors, with the potential for the investment to double in value within five to seven years of the initial investment, before inclusion in the portfolio.

### Step 4: Portfolio construction

The qualitative and quantitative tests are then combined to build a collection of high conviction, index, region and sector unaware investments. These are then collated into a portfolio for the Underlying Fund while observing the following guidelines:

- Total number of securities: between 20 and 40
- Position size: maximum 10% of NAV at cost
- Cash or cash equivalents: 0% to 10% of NAV
- Equity related securities: 90% to 100% of NAV
- IPO Securities: 0% to 10% of NAV
- Aggregate portfolio risk: Established, 'off the shelf' portfolio management software is used for real-time reporting and pre/ post trade compliance. The investment team actively measures portfolio correlations, sector risks, style exposure and aggregate valuation metrics which is formally reviewed weekly. In addition, the portfolio is managed within clear risk parameters and formal internal reviews of positions and exposures are undertaken at predetermined drawdowns.
- ESG exclusions: Consistent with Munro's corporate values, the Fund will not invest in individual companies that undertake certain activities as detailed in the Labour standards and environmental, social and ethical considerations section.

### Changes to investment strategy

We reserve the right to change the Fund's investment return objective, investment strategy, benchmark, asset classes and asset allocation ranges and limits, without prior notice in some instances. We will inform you of any material change to the Fund's details in the next regular Fund communication or as otherwise required by law. Notices of material changes are available on our website [gsfm.com.au](http://gsfm.com.au).

## The types of assets in which the Fund may invest

The Fund will primarily invest in units of the Underlying Fund, an Australian domiciled unlisted registered managed investment scheme.

The Fund, via its investment in the Underlying Fund, will generally invest in listed global equities, cash and cash equivalent instruments. A small portion of the Underlying Fund's assets may be invested in IPO Securities.

Asset types by asset class	Allocation range of NAV*	
	Min	Max
<b>Listed global equities</b> (including Exchange Traded Funds (ETFs))	90%	100%
<b>Cash</b> (including cash at bank, term deposits, money market instruments, bank bills of exchange, certificates of deposit, asset backed promissory notes and other cash like instruments)	0%	10%

\*The investment guidelines provide an indication of the intended holdings in the Fund and may be higher or lower from time to time

## Currency management

Currency is not actively managed, the Fund is unhedged.

The Fund is denominated in Australian dollars. The assets of the Underlying Fund will be denominated in a variety of foreign currencies, and the exchange rates of those currencies compared to each other and the Australian dollar may change over time. Any changes to exchange rates will therefore affect the Fund when its assets are valued in Australian dollars. For example, a change in the value of the Australian dollar relative to other currencies may negatively impact the value of an investment in the Underlying Fund.

## Borrowing

While the use of borrowing is allowed under the Constitution and the Underlying Fund's Constitution, borrowing will not be used by the Fund or the Underlying Fund.

## Labour standards, 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 an investment management agreement.

Munro is a signatory to the United Nations supported Principles for Responsible Investment (PRI), the world's leading proponent of responsible investment. Munro recognises and is committed to considering ESG factors, along with other key financial criteria and economic factors in the course of their investment process and in the monitoring of portfolio investments when in their view these factors have a material impact on either investment risk or return. Munro therefore takes environmental, social and governance considerations into account when selecting, retaining or realising investments of the Fund.

Every portfolio holding undergoes a proprietary ESG analysis which results in an ESG score. The ESG score is one of six qualitative factors that determine what Munro considers the appropriate earnings multiple and therefore valuation for the company. Subject to other qualitative and quantitative factors, Munro is generally willing to pay more for companies that perform better on ESG matters.

The ESG score is determined on a 1 to 5 scale as follows:

Environmental and Social (E&S) score (two-thirds weight):

- Identification and weighting of material E&S issues (five at most) based on the Sustainability Accounting Standards Board (SASB) framework, supplemented by external research and company disclosures; and



- A case by case analysis of the disclosures, strategy, performance and targets the company makes in respect of each material E&S issue, as relevant<sup>1</sup>.

Governance score (one-third weight):

Analysis of three issues:

- Board – including gender diversity, independence, workload, and performance;
- Remuneration – including equity alignment, challenging performance hurdles, ESG hurdles, dilution and pay quantum; and
- Entrenchment – including the use of anti-takeover mechanisms and multiple share classes.

Due to expediency requirements for new holdings, Munro may temporarily use a third-party research provider's ESG score as a substitute for the framework above. Munro aim to have no more than 10% of portfolio holdings with third-party ESG scores at any time. Munro will exclude or sell companies where, once completed, their proprietary ESG score is 1.5 or less.

Refer to **Investment process** in this section for more detail on how these assessments are made and measured.

The Fund does not pursue a sustainable investment strategy or have a sustainable investment objective, nor will it be marketed as a sustainability-related product. The Investment Manager incorporates ESG information or insights but it is not bound by these considerations, unless they form part of the exclusions outlined below. ESG-related research is one of many factors considered within the Investment Manager's investment process and is used alongside other measures in the investment decision process.

The Fund is not designed for investors who wish to screen out particular types of companies or investments or are looking for funds that meet specific ESG goals. Consideration of ESG integration does not imply that the Fund is marketed as an ESG product in Australia.

Munro will not knowingly invest in individual companies that undertake the following activities:

- Tobacco manufacturing, including only companies involved directly in the production of tobacco products, including alternative smoking products;
- Directly involved in the manufacturing of landmines and cluster munitions;
- Companies where Munro's proprietary ESG score (one of the six qualitative tests in the investment process) is 1.5 or less, based on a scale of 1 – 5.

The exclusions apply only to positions in individual companies. Exposure to screened out investment may however be obtained indirectly through exposure to ETFs where the underlying exposure is not actively monitored. However Munro does not expect that this exposure would exceed 5% of the portfolio.

Munro is reliant on third parties to provide the data to Munro to build a list of companies that form Munro's exclusions. Current data providers are listed in Munro's ESG Policy available on [munropartners.com.au](http://munropartners.com.au). While Munro will actively oversee the implementation, issues like data accessibility, errors from third parties and changes to company activities may result in inadvertent exposure. If they become aware of such a case, they will sell their holding within a reasonable timeframe.

GRES and Munro publicly disclose the Fund portfolio holdings on a one month lag on their websites. This allows anyone to monitor which companies are included in the Fund.

Munro has public ESG and Climate Policies in place and report on these annually through the Responsible Investment Report, all available at [munropartners.com.au](http://munropartners.com.au).

Other than described above, Munro has no other predetermined view on specific labour standards, environmental, social and ethical considerations

which it will apply or a fixed methodology or weightings for taking these standards and considerations into account when selecting, retaining and realising investments of the Fund.

## Liquidity

The Fund through its investment in the Underlying Fund, will primarily invest in listed securities. At the date of this PDS, we reasonably expect that at least 80% of the Fund's and the Underlying Fund's assets are capable of being realised at the value ascribed to those assets when calculating the Fund's most recent net asset value, within 10 days. Where applicable, we will provide relevant information with respect to liquidity in the Monthly Updates for both the Fund and the Underlying Fund.

Please refer to **Liquidity risk** in Section 4 **Risks of investing in the Fund**.

## Service providers

We have appointed a number of key service providers that are involved in the ongoing operation of the Fund.

GRES has a policy which sets out the procedures for selecting, monitoring and reviewing the performance of third party service providers. GRES conducts annual and other periodic reviews to ensure compliance with service level obligations.

The key service provider arrangements are summarised below:

### Investment Manager

We have appointed Munro as the investment manager of the Underlying Fund. The Responsible Entity and Munro have also entered into a Services Agreement under which Munro will provide certain services to the Fund. Please refer to **The Investment Manager** in Section 1 **About GSFM Responsible Entity Services and Munro Partners** for more details on the investment manager.

Additionally, GRES has appointed Munro to complete the day-to-day processes required to deliver the Fund portfolio to the iNAV provider.

### Custodian, administrator and registrar

We have appointed JP Morgan Chase Bank, N.A (Sydney Branch) (ABN 43 074 112 011) (**JPMorgan**) to provide custody and fund administration services. JPMorgan has provided its consent to be named and has not withdrawn its consent before the issue date of the PDS.

JPMorgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of the PDS. JPMorgan has not independently verified the information contained in this PDS and accordingly accepts no liability for the accuracy or completeness of the information. JPMorgan 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.

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

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

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

GRES can terminate Apex 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.

1. *Materiality of E&S issues is assessed by Munro on a case by case basis, with reference to the nature of the companies and the E&S issues relevant to the business. For example, for electric utilities, 'greenhouse gas emissions' is a material E&S issue. Munro's analysis may include whether the company reports against the Task Force on Climate-related Financial Disclosures (TCFD), the current emissions per unit of electricity generated and how this is changing, the generation mix (between renewables, nuclear and fossil fuel-based electricity), whether there are any targets to reduce emissions and whether these have been verified by the Science-Based Targets Initiative (SBTi). Munro provides specific company examples in their annual Responsible Investment Report.*

## Market Making Agent

GRES has appointed Macquarie Securities (Australia) Limited (**Macquarie**) as its agent to execute its market making activities in order to provide liquidity for units on the AQUA market of the ASX and to facilitate settlement. Macquarie will earn a fee as a result of these activities.

For more information, please refer to **Market making agent costs** in Section 5 and **Market maker and market making agent** in Section 6 of this PDS.

## iNAV Provider

We have appointed Solactive AG, a Germany based provider of financial indices and other ETF services to provide the calculation of the indicative Net Asset Values (iNAVs) for the Fund.

## Auditor and Tax Agent

We have appointed PricewaterhouseCoopers (**PwC**) as the independent auditor of the Fund and compliance plan as required by the Corporations Act.

GRES has appointed KPMG as external tax agent to perform tax related services in regard to the Fund's distributions, tax returns and taxation advice and other matters.

We will inform investors of any changes to the key service providers to the Fund during the year on an annual basis. We may provide this information more frequently where it is considered a material change to the Fund. The updated information will also be available on our website at [gsfm.com.au](http://gsfm.com.au).

## 3 BENEFITS OF INVESTING IN THE FUND

### What are ETPs?

Exchange traded products (ETPs) are quoted managed investment schemes that provide you with the opportunity to buy a diversified portfolio of assets in a single transaction. ETPs include certain managed funds, ETFs and structured products.

Exchange traded managed funds are actively managed ETPs that have an investment manager appointed to make decisions about the ETP's underlying portfolio allocation with a goal to outperform a target benchmark.

### What are the benefits of ETPs in general?

- **Diversification:** ETPs provide you with the ability to diversify your portfolio through holding a single security; and
- **Liquidity and transparency:** as a traded security, the ETP enables you to enter and exit your investment on the ASX anytime during trading hours.

### What are the benefits specific to this Fund?

The Fund, via its investment in the Underlying Fund, will invest in a concentrated portfolio of growth oriented listed equities from around the world, excluding Australia, with the aim of maximising long term capital appreciation. The Fund aims to achieve a return greater than the MSCI World (Ex-Australia) Index (Net) in \$A over a 5 to 7 year period. The Underlying Fund will generally invest in listed, liquid global equities with no regional, market capitalisation or industry sector constraints. The number of equity holdings the Underlying Fund will hold will typically range between 20 and 40 holdings.

Benefits of investing in the Fund include:

**Access to investment opportunities.** Munro, via its investment management team and investment process, has the ability to seek out and invest in some of the most innovative and fastest growing companies in the world today. The Fund provides pooled buying power allowing the Investment Manager to gain access to corporate investment opportunities and lower the overall cost of investing. These opportunities would be harder to find and harder to access by individual retail investors.

**Access to an experienced investment management team.** Munro's investment management team has a proven track record in running global growth equity mandates since 2005, with a time-tested investment process which aims to deliver attractive long term returns. Munro runs a partnership structure to ensure long term alignment of its staff.

**Risk management.** Munro deploys a time-tested risk management system with stop losses and reviews. Munro carefully reviews the Fund's positioning size and diversification.

## 4 RISKS OF INVESTING IN THE FUND

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long term returns may also carry the highest level of short term risk.

Risk can be managed but it cannot be completely eliminated. While Munro's disciplined investment approach aims to generate meaningful returns over the long term it is important that you carefully consider the risks of investing in the Fund to understand that:

- the value of your investment will vary;
- the level of returns will vary and future returns may be different from past returns;
- returns are not guaranteed and you may lose some of your money; and
- laws affecting managed investment schemes may change.

The risk level of an investment in the Fund is very high and there are potential fluctuations associated with an investment in the Fund.

In particular, the value of your investment will be impacted by the performance of the underlying companies or investments in which the Fund via its investment in the Underlying Fund invests in addition to the performance of the share market generally, foreign exchange markets and the global economy generally, and the skills of the Investment Manager. The Investment Manager will attempt to manage and mitigate risks, however not all risk can be eliminated and some risks are outside the control of the Investment Manager. If risks eventuate, then it can have a negative impact on distributions and the value of your investment.

**WARNING:** The appropriate level of risk for you will depend on a range of factors including your investment goals, your age, your investment time frame, where other parts of your wealth are invested and your level of risk tolerance.

Investing in the Fund exposes investors to the following specific risks:

**Company specific risk** – The value of the investment in a company may vary because of change to management, changes to its financial or operating circumstances, actions of regulators or competitors or changes in the market environment the company operates in. These factors may cause a company's share price to perform differently to that of the broader market. The Fund may therefore underperform the market and/or its peers due to its company specific exposures. The Investment Manager aims to reduce these risks by conducting thorough analysis and research of the Fund's investments.

**Concentration risk** – The Fund will hold a concentrated portfolio of 20 - 40 securities which may result in the Fund's returns being dependent on the returns of individual companies. This has the potential to increase the gains or losses and volatility of returns for investors. It may also result in the Fund's returns differing significantly from those of its Benchmark.

**Currency risk** – The Fund predominantly invests in international equities and the assets of the Fund are denominated in a variety of foreign currencies; the exchange rates of those currencies compared to each other and the Australian dollar may change over time. Any changes to exchange rates will affect the Fund when its assets are valued in Australian dollars. For example, a change in the value of the Australian dollar relative to other currencies may negatively impact the value of an investment in the Fund. No management of the foreign currency exposure relative to the Australian dollar is undertaken for the Fund.

**Cyber security risk** – This is the risk that the information technology systems used by us and our service providers when managing and operating the Fund may expose the Fund to potential cyber security breaches including but not limited to unauthorised access to and/or erroneous use of proprietary information, Unit holder's personal information or Fund data.

**Fund risk** – Risks particular to the Fund include the risk that it could be terminated, the fees and expenses could change, GRES could be replaced as Responsible Entity, Munro Partners could be replaced as Investment Manager and/or its portfolio managers could change. 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.

Investment in the Fund is governed by the terms of the Scheme's Constitution and these terms may be changed by a special resolution passed by investors (i.e. passed by 75% of the investors who vote in person or by proxy). This means that the terms and conditions may change, even though you may vote against any changes.

GRES aims to keep Fund risk to a minimum by monitoring how the various risks may impact on the Fund and by acting in the Unit holders' best interests as a whole.

**iNAV risk** – At any time, the price at which units of the Fund trade on the ASX may not reflect accurately the Net Asset Value of each such unit. The adoption of a robust pricing methodology for the iNAV is intended to minimise this differential as is the role of agent market maker but will not be able to eliminate it entirely.

The market price and the iNAV price may also deviate because the market price of units of the Fund is a function of supply and demand amongst investors wishing to buy and sell such units and the bid-offer spread that the agent market maker is willing to quote for those units. The iNAV is indicative only and may not accurately reflect the true value of the underlying assets of the Fund.

**Interest rate risk** – Changes in interest rates can have a positive or negative impact directly or indirectly on investment values or returns.

**International investments risk** – Investing in international securities poses additional risks. 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. In addition, the Fund may invest in securities in emerging markets which are typically more volatile than developed markets. Potentially adverse political, economic, legal and tax, or social conditions in those markets may affect Fund investment returns.

**Investment Manager risk** – The success of the Fund depends on the competency of the Investment Manager and its ability to identify investment opportunities which achieve the Fund's objective. Like any fund, this is dependent on the skills of the Investment Manager's personnel, quantitative analysis and research activities undertaken by the Investment Manager and on historical relationships between stocks acting in a manner which is consistent with the Investment Manager's analysis, over time.

If the Investment Manager does not exercise an adequate level of skill, including in the interpretation of the data, the investment process is flawed or inaccurate or any of the historical relationships on which the strategy is based break down, then this may cause losses to the Fund.

**Key person risk** – The loss of key personnel from the Investment Manager of the Fund may adversely affect the Fund's performance. Munro's partnership structure is designed to retain key personnel through all partners having ownership in the business.

**Liquidity risk** – Although the units will be quoted under the AQUA Rules there can be no assurances that there will be a liquid market, and an investor's ability to buy or sell units may be restricted. Although the Responsible Entity intends to act as market maker in the units on behalf of the Fund to assist in maintaining liquidity for the Fund on the ASX, this service may not be available at all times or the Responsible Entity may be unable to provide these services (such as where there are operational disruptions or unusual conditions, or other events set out in the ASX Operating Rules). Please refer to **Market making risk** to understand the arrangements we have in place to assist in maintaining liquidity for the Fund.

In addition, there is also 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.

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.

**Market risk** – Changes in legal, tax and economic conditions, social and/or 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.

**Market making risk** – Under the AQUA Rules, the Responsible Entity has certain market making obligations in respect of the Fund, in particular to facilitate an orderly and liquid market in the Fund. The Responsible Entity intends to act as market maker in the units on behalf of the Fund. The Fund bears the risk and cost of the market making activities undertaken by the Responsible Entity on the Fund's behalf. There is a risk that the Fund could suffer a material cost as a result of the market making activities by the Responsible Entity (i.e. an error in the execution of the market making activities or as a result of the price at which the units are transacted on the ASX) that may adversely affect the NAV of the Fund. The Fund may not always be able to make a market in times of uncertainty about values, due to its duty to act in the best interests of members.

**Market making agent risk** – We have appointed Macquarie as market making agent to execute the Fund's market making activities. There is a risk that the market making agent could make an error in executing the Fund's market making activities. Additionally, the Fund may enter into transactions to acquire or to liquidate assets in anticipation of the market making agent fulfilling its settlement processing obligations in a correct and timely manner. If the market making agent does not fulfil its settlement processing obligations in a correct and timely manner, the Fund could suffer a loss.

Whilst we monitor our market making agent's ability to execute the market making activities and comply with the settlement processing obligations, there is no guarantee that these requirements will always be fulfilled, particularly if there is an error by the market making agent.

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

**Regulatory 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.

**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, prime broking, clearing, administration, custody and valuation services, do not properly perform their obligations and duties and cause harm to the Fund.

**Settlement risk** – The risk is the possibility that one or more parties will fail to deliver on the terms of a contract at the agreed-upon time. Failed or delayed settlements can occur due to a counterparty default or caused by timing differences between parties.

**Trading risk** – The Fund is quoted for trading on the AQUA market of the ASX under the AQUA Rules and there is a risk that the ASX may under certain circumstances suspend trading or even remove the Fund from quotation on the ASX. The underlying assets held by the Fund may also be suspended or delisted. Under these circumstances, we may take measures, such as suspending the creation and redemption process, or we may potentially terminate the Fund. To mitigate the risk in relation to the Fund, we will use our best endeavours to meet all ASX requirements to ensure the units in the Fund remain quoted, including putting in place compliance and monitoring procedures. However, there is no guarantee that these requirements will always be met. Although the units in the Fund are quoted on the ASX, there can be no assurance that there will be a liquid market. There is the risk that the issue price and redemption price applicable to a unit may differ from the trading price of a unit on the ASX. The trading price is dependent upon a number of factors, including demand for the units in the Fund. The risk is mitigated as the application and redemption mechanism is designed to minimise the likelihood that the units will trade on the ASX at a significantly different price to the issue price or redemption price.

**Underlying Fund risk** – By investing in units in the Underlying Fund, the Fund is also exposed to each of the risks that the Underlying Fund is itself exposed to. These include but are not limited to: company specific risk; collateral risk; concentration risk; counterparty default risk; currency risk;

custody risk; cyber security risk; derivative risk; fund risk; interest rate risk; international investments risk; investment manager risk; leverage risk; liquidity risk; market risk; operational risk; regulatory risk; service provider risk; and short selling risk. Each of these risks (as described above) will therefore apply at the Fund and Underlying Fund levels.

**Withdrawal risk** – If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that we may not meet the generally applicable timeframe for withdrawal requests, we may suspend withdrawals or may deem the Scheme illiquid. This is because it may take longer for the Fund to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer.

## 5 FEES AND OTHER COSTS

### Did you know?

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

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

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

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

### To find out more

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

This section shows fees and other costs that 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.

**WARNING:** You should read all the information about fees and costs because it is important to understand their impact on your investment.

If you are investing in the Fund via an IDPS Operator, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

**WARNING:** If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and the financial adviser.

Taxes are set out in Section 7 **How managed investment schemes are taxed** of this PDS.

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 Active ETF

Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs <sup>3</sup></b>		
<b>Management fees and costs</b> The fees and costs for managing your investment <sup>1,2,3</sup>	<b>Estimated to be 0.70% p.a. of the NAV of the Fund, comprised of:</b> 1. A management fee of 0.70% p.a. of the NAV of the Fund <sup>2</sup> ; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the Fund; and 3. Estimated abnormal costs of 0.00% p.a. of the NAV of the Fund	1. The management fee is calculated and accrued daily in the NAV per unit and paid monthly in arrears. This fee is payable from the assets of the Fund on the last business day of each calendar month. The amount of this fee can be negotiated. 2. Indirect costs are paid out of the Fund's assets or an interposed vehicle's assets as and when incurred. Indirect costs are reflected in the NAV per unit and are not charged separately to an investor. 3. Abnormal costs are paid out of the Fund's assets as and when incurred.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	<b>Estimated to be 0.70% p.a. of the NAV of the Fund <sup>4</sup>.</b>	The Performance Fee is calculated as 10% of the Excess Return per unit for the relevant Calculation Period (the six months to 31 March and 30 September each year) multiplied by the number of units on issue at the end of the 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 Higher Watermark 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 within 30 days of the end of the Calculation Period in arrears from the assets of the Fund.
<b>Transaction costs <sup>3</sup></b> The costs incurred by the scheme when buying or selling assets	<b>Estimated transaction costs of 0.00% p.a. of the NAV of the Fund <sup>4</sup></b>	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred.



## Munro Concentrated Global Growth Fund Active ETF

Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme) <sup>3</sup></b>		
<b>Establishment fee</b> The fee to open your investment	Nil	The Fund does not charge an establishment fee
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	The Fund does not charge a contribution fee
<b>Buy/sell spread <sup>3</sup></b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil <sup>5,6</sup>	The Fund does not charge a buy/sell spread
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	The Fund does not charge a withdrawal fee
<b>Exit fee</b> The fee to close your investment	Nil	The Fund does not charge an exit fee
<b>Switching fee</b> The fee for changing investment options	Nil	The Fund does not charge switching fees

1. See **Additional explanation of fees and costs** below for further details on fees and costs that may be payable. 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 and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
2. The amount of this fee can be negotiated if you are a wholesale client under the Corporations Act. Please refer to **Differential fees** in the **Additional explanation of fees and costs** in this section of the PDS.
3. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. Please refer to the **Additional explanation of fees and costs** section for more information on fees and costs that may be payable.
4. 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 (adjusted to reflect a 12 month period). The estimate has been calculated based on actual Performance Fees for the Underlying Fund payable over the life of the Underlying Fund). The Performance Fee is only payable if the Accrued Performance Fee exceeds both the High Watermark and the Performance Hurdle and is subject to a 'Performance Fee Limit' for the relevant Calculation Period. Past performance is not a reliable indicator of future performance. A Performance Fee is not always payable. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period. See **Performance Fee** in the **Additional explanation of fees and costs** section for a dollar worked example and for further information about the Calculation Period, Excess Return per Ordinary unit, Crystallised Performance Fee, Equalisation Reserve, Performance Hurdle, High Watermark and Performance Fee Limit.
5. The transaction costs figure disclosed in this section is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the bid- offer spread incurred by investors when trading on the exchange. Please refer to the **Additional explanation of fees and costs** section for further details.
6. While the Fund does not charge a buy/sell spread, as the Fund is traded on a securities exchange, investors will incur a bid-offer spread when trading on the exchange.

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

### Example of annual fees and costs

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

Example - Munro Concentrated Global Growth Fund Active ETF		Balance of \$50,000 with a contribution of \$5,000 during year <sup>1</sup>
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs <sup>3,4,5</sup>	0.70% p.a. of NAV of the Fund	And, for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$350 each year.
PLUS Performance fees <sup>4,6</sup>	0.70% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investment \$350 in performance fees each year.
PLUS Transaction costs <sup>3,4</sup>	0.00% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS Cost of the Fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:</p> <p><b>\$700<sup>2,3,4</sup></b></p> <p><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b></p>

1. The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and the example assumes that the \$50,000 is invested for the entire year and that the \$5,000 contribution occurs on the last day of the year, so that the management fees and costs are calculated using the \$50,000 balance only. This example also assumes that the value of your investment remains the same during the year. Please note that this is just an example. In practice, an investors actual investment amount will vary daily and the actual fees and costs we charge are based on the value of the Fund which also fluctuates daily.
2. Additional fees and costs may apply. Please refer to the **Additional explanation of fees and costs** for further details.
3. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. The transaction costs figure disclosed in this section is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the bid-offer spread incurred by investors when trading on the exchange. Please refer to the **Additional explanation of fees and costs** section for more information on fees and costs that may be payable.
4. All fees and costs are inclusive of GST and any applicable stamp duty, less any applicable input tax credits and reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
5. The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to **Differential fees** in the **Additional explanation of fees and costs** section of this PDS.
6. 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 (adjusted to reflect a 12 month period). The estimate has been calculated based on actual Performance Fees for the Underlying Fund payable over the life of the Underlying Fund). The Performance Fee is only payable if the Accrued Performance Fee exceeds both the High Watermark and the Performance Hurdle and is subject to a 'Performance Fee Limit' for the relevant Calculation Period. Past performance is not a reliable indicator of future performance. A Performance Fee is not always payable. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period. See **Performance Fee** in the **Additional explanation of fees and costs** section for a dollar worked example and for further information about the Calculation Period, Excess Return per Ordinary unit, Crystallised Performance Fee, Equalisation Reserve, Performance Hurdle, High Watermark and Performance Fee Limit.

## Additional explanation of fees and costs

### Management fees and costs

The management fees and costs of the Fund comprise the management fee, indirect costs and abnormal costs as set out in the fees and other costs summary table in this section. Please refer to **Indirect costs** which follows in this section. The management fees and costs do not include transaction costs or the Performance Fee. Management fees and 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 0.70% p.a. of the NAV of Ordinary units. The management fee is calculated and accrued daily in the unit price of Ordinary units and is paid monthly in arrears on the last business day of each calendar month.

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 transaction costs. We will provide prior notice to investors if we seek to recover normal operating expenses from the Fund in the future. The management fee includes Goods and Services Tax (GST) after taking into account any expected input tax credits and reduced input tax credits. The amount of this fee can be negotiated.

All estimates of fees and costs in the following section are based on information available as at the date of the PDS. The fees and costs indicated reflect the Responsible Entity's reasonable estimate at the date of the PDS of those fees and costs that will apply for the current financial year (adjusted to reflect a 12 month period). Consequently, the amounts shown may not be a good indicator of typical ongoing fees and costs, which may differ in future years. Any updated cost information that is not materially adverse to investors will be posted on our website [gsfm.com.au](http://gsfm.com.au).

#### Indirect costs

Indirect costs are any amounts that we know or reasonably ought to know, or where this is not the case, reasonably estimate has or will reduce, whether directly or indirectly, 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 and abnormal costs. The actual indirect costs may differ from year to year.

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.

The Fund will invest in Class E units in the Underlying Fund, where the management fee will be 0.00%.

As at the date of this PDS, the indirect costs component set out in the fees and costs summary above is 0.00% p.a. of the NAV of the Fund which is an amount the Responsible Entity's reasonable estimates will apply for the current financial year (adjusted to reflect a 12 month period).

It is important to note that indirect costs are reflected in the unit price of the Fund as and when incurred and are not charged separately to investors.

Indirect costs are not an additional fee paid to the Responsible Entity.

Indirect costs may vary from year to year, including to the extent that they rely on estimates. These amounts are not an indication or guarantee of the amount that may be charged in the future.

#### Abnormal costs

We may recover other costs or expenses incurred (or that will be incurred) by us in connection with the 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 units in the Scheme for which such cost or expense is incurred. 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.

As at the date of the PDS, the abnormal costs component set out in the fees and costs summary is 0.00% p.a. of the NAV of the Fund which reflects the Responsible Entity's reasonable estimate of those abnormal 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. Abnormal costs may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

#### Transaction costs

The Fund may incur transaction costs directly or indirectly via its investment in the Underlying Fund. Transaction 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, and, where applicable, the buy/sell spread applied to any transactions in the Underlying Fund. Transaction costs will also be incurred for the creation and redemption of units by the market maker.

Transaction costs are an additional cost to investors, where they have not already been recovered by the bid-offer spread, and are not included in the 'management fee and costs'. Instead they are recovered as incurred and reflected in the unit price of the Fund and are borne indirectly by investors as they reduce the returns generated by the Fund, and consequently, your investment.

The estimated transaction costs disclosed in the fees and costs summary in this PDS are shown net of any amount for which the Responsible Entity reimburses the Fund out of the bid-offer spread incurred by investors when trading on the exchange.

The net transaction costs for the current financial year (adjusted to reflect a 12 month period) will be approximately 0.00% p.a. of the NAV of the Fund. These net transaction costs represent estimated total gross transaction costs of 0.14% p.a. of the NAV of the Fund minus the estimated transaction costs for which the Responsible Entity reimburses the Fund out of the bid-offer spread investors incur when trading on the exchange.

At the Underlying Fund level, the total gross transaction costs incurred for the previous financial year, were 0.13% p.a. of the NAV of the Underlying Fund. Some of the transaction costs will be offset by the buy/sell recovery.

The Responsible Entity reasonably estimates at the date of this PDS that the net transaction costs for the Underlying Fund (representing the total gross transaction costs minus the total amount recovered through the buy/sell spread of +0.15%/-0.15% at the Underlying Fund level) for the current financial year will be 0.00% p.a. of the NAV (adjusted to reflect a 12 month period). These transaction costs incurred at the Underlying Fund level have been included in the transaction costs figure for the Fund and will be borne by the Fund as and when incurred.

All estimates of fees and costs in this section are based on information available as at the date of this PDS. These figures 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 (adjusted to reflect a 12 month period) and will vary from year to year to reflect the actual expenses incurred by the Fund. 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 transaction costs incurred.

Around the end of each financial year, where new transaction costs information is not materially adverse, the updated information will be posted on our website at [gsfm.com.au](http://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 supplementary PDS or a new PDS.

#### Underlying Fund's buy/sell spread

The buy/sell spread is an additional cost incurred by investors (including the Fund) when they invest or withdraw from the Underlying Fund. The buy/sell spread is an adjustment to the unit price to cover those transaction costs associated with buying and selling the Underlying Fund's assets. The buy/sell spread aims to ensure that non-transacting investors do not pay the transaction costs associated with an investor (including the Fund) investing in or withdrawing from the Underlying Fund. The buy/sell spread is not a fee paid to us but is paid to the Underlying Fund to offset the transaction costs incurred.

The buy/sell spread may vary from time to time to reflect to reflect changes in the transaction costs incurred, or likely to be incurred. The buy/sell spread for the Underlying Fund is currently 0.15% of the NAV per unit when there is an

application or withdrawal of units in the Underlying 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).

## Performance fee

We may be entitled to receive a Performance Fee equal to 10% of the Excess Return per unit, over each Calculation Period (the six months to 31 March and 30 September each year multiplied by the number of 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 Watermark and to a Performance Fee Limit.

The Fund will invest in Class E units in the Underlying Fund, where the Performance Fee will be 0.00%. The Fund will therefore not incur any performance fees at an interposed vehicle level.

## 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 a performance fee which is paid out of the assets of the Fund. Performance fees are paid subject to the Fund exceeding the Performance Hurdle and the High Watermark being exceeded for the relevant Calculation Period. The performance fee is calculated and accrued daily, where applicable, in the unit price and is payable within 30 days of the end of each Calculation Period (generally, the six months to 30 September and 31 March each year). 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 unit during each Calculation Period (**Base Performance Fee**) multiplied by the number of 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 Watermark and to a Performance Fee Limit.

- The **Excess Return** per unit is equal to the higher of the (Total Return per unit less the Performance Hurdle per unit) and nil.
- The **Total Return** per unit equals (the NAV per 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 NAV per unit at the beginning of the Calculation Period) minus 1.
- The **Performance Hurdle** per 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 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 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 unit incorporated in the NAV per 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 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 NAV per unit at the end of the Calculation Period exceeds the High Watermark. The **High Watermark** is the higher of the NAV per unit at the end of the most recent Calculation Period or the previous High Watermark. If an income and/or capital distribution is paid after the determination of the High Watermark, then the High Watermark will be reduced by that income and/or capital distribution (as applicable) paid. Having a High Watermark ensures that any negative returns must be surpassed before a performance fee is accrued and payable.

## 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 Ordinary 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 NAV. 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 NAV. The Daily Equalisation Adjustment will also be applied to the daily NAV.

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

1. if the Accrued Performance Fee is positive, and the NAV per unit is higher than the High Watermark, 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 NAV per unit at the end of the Calculation Period will become the High Watermark for the next Calculation Period;
2. if the unpaid Accrued Performance Fee included in the NAV is positive, but the NAV per unit is lower than the High Watermark, no Performance Fee is payable to us; and
3. if the unpaid Accrued Performance Fee included in the NAV 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 costs for the Fund. The costs set out in the **Fees and costs summary** table on page 14 of the PDS include a performance fee of 0.70% p.a. of the NAV, which is the Responsible Entity's reasonable estimate at the date of this PDS of the performance fee for the current financial year (adjusted to reflect a 12 month period). The reasonable estimate of the prospective performance fee has been calculated based on the average performance fees paid by the Underlying 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 Watermark = No Performance Fee

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

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

**Scenario 4:** Exceed both Bond and Equity Hurdles, as well as the High Watermark = 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 Previous High Watermark	%	-8.00%	8.00%	8.00%	5.00%
Previous High Watermark	\$ per unit	13.0000	13.0000	14.0000	13.0000
Hurdle rate applied to Previous High Watermark	\$ per unit	13.3900	14.0400	15.1200	13.6500
Opening NAV per unit (e.g. 1 April)	\$ per unit	12.5000	12.5000	12.5000	12.5000
Fund return for Calculation Period (excluding Performance Fee)	%	2.00%	5.00%	10.00%	10.00%
Closing NAV per unit (e.g. 30 September) before performance fee	\$ per unit	12.7500	13.1250	13.7500	13.7500
Did the Fund performance exceed the High Watermark?		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 unit	\$ per unit	0	0	0	0.0010
Closing NAV per unit (e.g. 30 September) after performance fee	\$ per unit	12.7500	13.1250	13.7500	13.7400
End of Calculation Period High Watermark	\$ per unit	13.0000	13.1250	14.0000	13.7400
Units held by unit holder		4,000	4,000	4,000	4,000
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 maximums 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% p.a. (inclusive of GST, less any input tax credits and reduced input tax credits) of the assets of the Fund (determined on the basis of the 'last sale' price, net of estimated disposal costs) and an ETF application and redemption fee in relation to the processing of applications or redemptions in the Fund or the relevant quoted class of units of a maximum amount of \$10,000 (inclusive of GST if any, less any input tax credits and reduced input tax credits). We have elected to limit our management fee to the level shown in the PDS and in the case of the contribution fee, the withdrawal fee and the ETF application and redemption 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 except if required by the Corporations Act. We will provide you at least 30 days written notice of any increase in the fees when legally required. All estimates of fees and costs in this section are based on information available as at the date of this PDS. You should refer to the Fund's website [gsfm.com.au](http://gsfm.com.au) from time to time for any updates which are not materially adverse to investors.

### Sell spreads for off-market withdrawals

Investors have a right to redeem their units with us in exceptional circumstances. Please see **Off-market withdrawals** in Section 6 for further information.

In these circumstances, we may charge a sell spread which is a type of transaction cost. The purpose of the sell spread is to ensure that only investors transacting in the Fund's units at a particular time bear the Fund's costs of selling the Fund's units as a consequence of their transaction.

The sell spread for the Fund is expressed as a percentage of the NAV of the Fund and is the difference between the NAV of the Fund and the withdrawal unit price. It reflects an estimate of the transaction costs expected to be incurred in selling the Fund's assets as a result of withdrawals made by investors.

The current sell spread of the Fund for off-market withdrawals is 0.15% however a different sell spread may apply if the estimate changes.

### Market making agent costs

GRES has appointed a market participant Macquarie Securities (Australia) Limited (**Macquarie**), as its agent to execute its market making activities in order to provide liquidity on the AQUA market of the ASX and facilitate settlement. Macquarie will earn a fee as a result of these activities which comprises of a variable and fixed element.



This variable element of the fee is applicable to the value of the net units purchased and sold by Macquarie on behalf of the Fund and is recovered from the assets of the Fund as a normal operating expense.

The fixed market making fee is included in the transaction costs set out in the tables on pages 14 and 16.

### Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions associated with buying and selling units on the AQUA market of the ASX. This fee should be discussed with your stockbroker prior to investing. You should consider the Financial Services Guide provided by your broker.

### Adviser fees and remuneration

If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and the financial adviser.

We may, subject to the law, pay 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, free of charge.

### Indirect Investors

If you invest in the Fund through an 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.

### 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, subject to the Corporations Act and any relevant ASIC policies, 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 wholesale client (as defined under the Corporations Act) based on individual negotiation between us and that wholesale client; and/or
- 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
- 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 investors in the Fund without the rebate is identical; and
- any rebates that we pay to wholesale 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 inside cover of this 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 reasonable remuneration to GSFM in this regard on arm's length commercial terms.

The Investment Manager of the Fund, Munro, is a related party of GRES. GRES pays reasonable remuneration to Munro on arm's length commercial terms.

### Tax

Information about tax is set out in Section 7 **How managed investment schemes are taxed** of this PDS.

The benefits of any tax deductions are passed on to investors in the form of a reduced fee or cost.

## 6 DEALING WITH YOUR INVESTMENT

### Unit pricing

The NAV of the Fund is calculated in accordance with the Constitution. The NAV will incorporate the value of the assets of the Fund, less any liabilities including management fees payable for the Fund. The NAV per unit is calculated by dividing the NAV of the Fund by the number of units on issue in the Fund.

The Fund's NAV and NAV per unit will generally be calculated as at the close of trading on each business day, usually one business day in arrears, except where withdrawals are suspended (see **Suspension of redemptions** later in this section) and posted on the website: [gsfm.com.au](http://gsfm.com.au). The NAV per unit will vary as the market value of the Fund's assets rise or fall.

An indicative NAV per unit (**iNAV**) will be calculated and published by a pricing agent on behalf of the Fund throughout the ASX Trading Day. For more information about the iNAV refer to **iNAV Calculation** following later in this section.

GRES' Unit Pricing Discretions policy contains further detail about how the NAV and iNAV per unit are calculated. This policy is available on our website [gsfm.com.au](http://gsfm.com.au). A copy of this policy may be obtained free of charge upon request.

### Buying units

Investors are able to purchase units on the ASX either through a stockbroker or via their own trading account online.

The price at which investors will purchase units will depend on the price of those units that are quoted at the time on the ASX. While the Fund's market making activities and the Responsible Entity's ability to increase the number of units on issue if the investor demand increases seeks to ensure that the market price of units will be close to the underlying value of the Fund, the market price at any time may not reflect either NAV per unit or the iNAV. Investors buying units on the ASX will pay the prevailing market price for the purchase of units at the time of the transaction. There is no minimum number of units required by the Responsible Entity for purchase transactions on the ASX.

'Cooling-off' rights do not apply to purchases of units on the ASX.

### Selling units

Investors are able to sell units on the ASX either through a stockbroker or via their own trading account online.

The price at which investors sell their units will depend on the price of those units that are quoted at the time on the ASX. The market price at any time may not reflect either NAV per unit or the iNAV. Investors selling units on the ASX will receive the prevailing market price for the sale of units at the time of the transaction.

There is no minimum number of units required by the Responsible Entity for sale transactions on the ASX.

### Unit creation and cancellation

The Responsible Entity, on behalf of the Fund acts as the market maker for the Fund providing liquidity to market participants.

At the end of each business day, units are created or cancelled by the Responsible Entity depending on the net quantity traded for that particular day on the ASX.

### Transferring units

Subject to the Constitution and ASX requirements, a unit is usually transferable through the ASX. A unit may also be transferred by any other method of transfer which is required or permitted by the Corporations Act and the ASX.

## Off-market withdrawals

Unit holders will not normally have a right to redeem their units directly with the Fund. However, all unit holders will have a right to a cash redemption and to receive payment within a reasonable time if units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- (a) the Fund is being wound up;
- (b) the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act; or
- (c) the Responsible Entity has suspended redemptions in accordance with the Constitution

Where unit holders have the right to redeem their units directly from the Fund, they will need to complete a withdrawal form made available on request. A sell-spread may be payable by investors for direct unit redemptions. Refer to **Additional explanation of fees and costs** for more information on sell-spreads.

No minimum redemption amount will apply.

## Market maker and market making agent

Under the AQUA Rules, the Responsible Entity has certain obligations in respect of the Fund to facilitate an orderly and liquid market in the Fund.

The Responsible Entity, on behalf of the Fund acts as the market maker for the Fund providing liquidity to market participants. At the end of each business day, units are created or cancelled by the Responsible Entity depending on the net quantity traded for that particular day on the ASX.

The Responsible Entity has appointed Macquarie as agent to execute its market making activities as a trading participant under the ASX Operating Rules.

The Fund will bear the risk of the market making activities undertaken by the Responsible Entity on the Fund's behalf, which may result in either a cost or benefit to the Fund. The risks of market making are explained in Section 4 **Risks of investing in the Fund**.

The liquidity provided by the market maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the market maker to create and redeem units.

## iNAV Calculation

The Responsible Entity has engaged an agent to calculate and disseminate an indicative NAV per unit (**iNAV**) which is published by the Fund on our website at [gsfm.com.au](http://gsfm.com.au) throughout the ASX Trading Day. The iNAV is updated for foreign exchange movements in the Fund's portfolio stocks by individual stock domicile, and is also updated during the ASX Trading Day in regard to the Fund's portfolio. Portfolio stocks that are not traded during the ASX Trading Day are valued using their last traded price and adjusted by any changes in their corresponding exchange's futures index in accordance with the iNAV provider's fair valuation methodology.

Investors will be notified via the ASX Market Announcements Platform if there is any material change to the methodology for calculating iNAV.

No assurance can be given that the iNAV will be published continuously or that it is up to date or free from error. Any iNAV is not and should not be taken to be or relied on as being the price at which units may be purchased and sold on the ASX, and may not reflect the true value of the unit. Investors should not rely on any iNAV which is made available in market making decisions but should consider other market information and relevant economic factors. To the extent permitted by law, neither the Responsible Entity nor its appointed agent shall be liable to any person who relies on the iNAV.

The price at which units trade on the ASX may not reflect either the NAV per unit or the iNAV.

## Distributions

The Fund aims to pay any distributions annually, following the end of June each year. If you are registered as a holder of units on the Record Date, you will be entitled to receive a proportionate share of the distribution amount based on the number of units you hold at this date.

The distribution amount will vary between distribution periods and is not guaranteed. There may be circumstances when a distribution is not made by the Fund and circumstances when a special distribution is made outside of the usual distribution periods. The distributions you receive are generally assessable income and can include income and capital gains generated by the Fund.

Under the AMIT regime, the Fund may attribute an amount of income to you, which may or may not be the same as the distribution you receive. The amount you receive for each distribution will depend on the number of units you hold in the Fund at the end of the distribution period.

The NAV per unit will generally fall after each distribution to reflect the distribution paid.

If you choose to have any distributions paid out this will generally occur within 30 days but may be longer. Distributions will be directly credited to your nominated Australian Bank Account (Australian dollars) or New Zealand Bank Account (New Zealand dollars). You should contact your stockbroker or trading platform to enquire how to provide bank account details or by telephoning 1300 133 451. Where New Zealand based investors have elected to have the distribution credited to a New Zealand bank account in New Zealand dollars you may incur significant fees. The conversion to New Zealand dollars will be undertaken by the Fund's bank at the exchange rate on the day this is processed.

Alternatively, you may have your distributions re-invested as units in the Fund.

For more information on AMIT and distributions please refer to **How managed investment schemes are taxed** in Section 7.

## Distribution Reinvestment Policy (DRP)

You have the option to reinvest distributions from the Fund to reinvest distributions from the Fund in additional units.

If you choose to have your distribution reinvested as additional units in the Fund, the additional units will be issued using the NAV per unit applicable immediately after the distribution. Only whole units are able to be issued for reinvestment, so your units may be rounded down or up, this may impact your return negatively or positively. All units allotted as part of the DRP will rank equally in all respects with existing units in the Fund.

Unitholder participation in the DRP is optional.

You can elect to participate in the DRP by completing the 'Change of Details Form' available on our website [gsfm.com.au](http://gsfm.com.au). GRES reserves the right to amend, suspend or terminate the DRP at any time.

You should refer to Section 7 **How managed investment schemes are taxed** for information in relation to the participation in a DRP.

## Privacy and your personal information

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

A copy of the registry provider Apex Fund Services' Privacy Notice can be accessed at [apexgroup.com/privacy-policy/privacy-policy-australia/](http://apexgroup.com/privacy-policy/privacy-policy-australia/).

To access your personal information collected by us or if you have any concerns about the completeness or accuracy of the information we have

about you or would like to amend your personal information held by us please contact Apex Fund Services (refer to contact details on the inside cover of this document).

## Suspension of redemptions

The Responsible Entity may at any time suspend the redemption or issue of units in the Fund for up to 120 days, if:

- it is impracticable for us, our nominee or any service provider appointed by us to calculate the Net Asset Value for example because of closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs, or on declaration of a moratorium in a country where the Fund invests (or the Fund has exposure to through any derivative in which the Fund invests) or under the Corporations Act;
- it is impracticable for us to calculate the NAV of the Fund or value the assets of the Fund during a period in which we rebalance the assets of the Fund in accordance with the investment strategy of the Fund;
- 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;
- we reasonably estimate that we must sell 5% or more (by value) of all assets of the Fund to meet current unmet withdrawal requests;
- 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;
- we reasonably consider it to be in the interests of unit holders;
- the quotation of any units is suspended or the trading of any units is otherwise halted, interrupted or restricted by the ASX, or the trading of any units on the ASX is subject to a period of deferred settlement trading, or there is a period during which units are subject to a consolidation or division;
- the units cease to be quoted or the Fund is removed from the official list of the market;
- a withdrawal request is received in a financial year and we determine that the date on which the completion of the redemption will occur will be in the next financial year;
- a withdrawal request is received during a period before or after a distribution which period we determine to be necessary or desirable to facilitate the calculation and distribution of the distributable income;
- we believe that the assets of the Fund cannot be realised at prices that would be obtained if the assets of the Fund were realised in an orderly fashion over a reasonable period in a stable market; or
- it is otherwise legally permitted.

In cases where withdrawals are suspended for a period of time we may extend the period for so long as the circumstances which caused the suspension continue to apply.

## If the Fund/ Underlying Fund becomes illiquid

If the Fund is not liquid (as defined in the Corporations Act), a unit holder may request us to redeem that unit holder's units only in accordance with the terms of any current withdrawal offer made by us in compliance with the provisions of Part 5C.6 of the Corporations Act regulating offers of that kind. If there is no withdrawal offer currently open for acceptance by unit holders, a unit holder has no right to make a withdrawal request.

We do not have to make a withdrawal offer.

If the Underlying 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 Underlying Fund (including the Fund) in accordance with the Underlying Fund's Constitution and the Corporations Act.

Under the Corporations Act, a scheme is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the scheme. 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 Scheme will be liquid under the Corporations Act.

## 7 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.

**WARNING:** Investing in managed funds is likely to have tax consequences. Before investing in the Fund you are strongly advised to seek professional tax advice that takes account of your particular circumstances.

**WARNING:** New Zealand investors should seek their own advice on the New Zealand taxation law implications of their investment.

### Attribution Managed Investment Trust (AMIT) Regime

The Responsible Entity made an election for the Fund to opt into the AMIT regime commencing from the inception of the Fund.

Some of the key features of the AMIT regime include:

- allocation of taxable income to unit holders 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 unit holdings where taxable income attributed is either less than or greater than the cash distribution for an income year (respectively).

The Fund has also made the MIT capital account election and therefore, all gains and losses of the Fund from 'eligible assets' (primarily shares, units and options over those assets) are assessed under the CGT provisions.

### 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 unit holders. 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. Taxable income of the Fund may include franked dividends, franking credits, foreign income and foreign income tax offsets in respect of foreign taxes paid (FITOs) and capital gains. Generally a tax offset should be available to investors for the associated franking credits and FITOs.

The taxable income attributed to an investor will also include amounts of trust income that are reinvested in the Fund through the Distribution Reinvestment Policy (DRP). The distributions received (or reinvested) may be more or less than the amount of income that is subject to tax. Any reinvested distributions will be received as further units in the Fund.

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 (plus any tax offsets), 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 (plus any tax offsets), this should result in an increase to the cost base of the investor's units.

\* We will send you an AMMA Statement indicating the components of your



*distribution (and the amounts which have been attributed to you 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, 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 (FITO) 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).

There have been updates to the law and ATO guidance in relation to investor entitlements to claim foreign income tax offsets. Accordingly, we recommend that you consult with your tax adviser to consider your specific personal circumstances with respect to the eligibility to claim FITOs.

## Tax File Number (TFN)

We recommend you provide your TFN/ABN on the Application Form. It is not compulsory for an Australian unit holder 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, 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 unit holders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

# 8 MATERIAL CONTRACTS

## Constitution

The operation of the Fund is governed under the Corporations Act 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 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.

Subject to its duties under the Corporations Act, we may determine to convert, reclassify or redesignate a class of units in the Scheme (such as the units in the Fund offered under this PDS) into units of another class, however we are under no obligation to do so.

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.

## Services Agreement and Investment Management Agreement

GRES has entered into a Services Agreement with Munro. Under this agreement, Munro agrees to provide services to the Fund which include: Munro will invest and manage the assets of the Fund; provide certain services and information to enable GRES to complete the day to day processes required to deliver the Fund portfolio to the iNAV provider; and provide reporting that is complete and accurate in all material respects to the extent the necessary information is within the reasonable control of Munro.

In addition, GRES has entered into an Investment Management Agreement with Munro. Under the Investment Management Agreement, Munro agrees to provide investment management services with respect to the Underlying Fund.

The Services Agreement and 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 for the Fund

As described previously in **Service providers** GRES has appointed JPMorgan to hold the assets of the Fund in its capacity as custodian.

## Compliance Plan

In accordance with the requirements of the Corporations Act and Australian Securities and Investments Commission (ASIC) policy the Scheme 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 Scheme (**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 Compliance Plan is available free of charge by contacting Apex Fund Services.

## 9 ADDITIONAL INFORMATION

### Additional disclosure information

The Fund has certain regular reporting and continuous disclosure obligations pursuant to the Corporations Act. All continuous disclosure notices are available on our website at [gsfm.com.au](http://gsfm.com.au).

Copies of the following documents can be obtained free of charge from us, upon request:

- the Fund's most recently lodged Annual Report;
- any Half Year Report lodged with ASIC after the lodgement of the latest Annual Report and before the date of this PDS;
- any continuous disclosure notices given by the Fund after lodgement of the latest Annual Report and before the date of this PDS; and
- our Unit Pricing Policy.

Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

### Updated information

As Responsible Entity of the Fund, we are subject to continuous disclosure obligations that require us to make material information available. We will comply with our continuous disclosure obligations under the law by publishing material information about the Fund on our website in accordance with ASIC's good practice guidance for website disclosure. You can obtain a copy of the Fund's continuous disclosure information by visiting our website [gsfm.com.au](http://gsfm.com.au). We encourage you to regularly check our website for new information that may be relevant to your investment. A paper copy of this information will also be given to you, on request, without charge.

### Periodic Reporting

GRES provides investors with regular reporting on Fund information which can be accessed at [gsfm.com.au](http://gsfm.com.au).

This includes:

- NAV per unit for each business day posted on the Fund's unit prices page;
- Indicative Net Asset Value (iNAV) posted real time on the Fund's product page
- Total NAV at the end of each month posted on the Fund's product page;
- Distribution details posted annually on the Fund's distributions page;
- Monthly net (after fees) returns for the Fund can be found on the Fund's performance page; and
- Copies of announcements made to the ASX including continuous disclosure notices, redemption and distribution information, can be found on the Continuous Disclosure page.

In addition, the Fund will provide the monthly portfolio disclosure within 30 days of each month, monthly redemptions by the week after the end of each month and net units on issue within 5 business days of the end of each month.

## ASIC Relief

### Class Order Relief - Ongoing Disclosure

ASIC has granted relief under ASIC Corporations (**Relief to Facilitate Admission of Exchange Traded Funds**) Instrument 2024/147 under section 1020F(1)(a) of the Corporations Act from the ongoing disclosure requirements in section 1017B on the condition that the Responsible Entity complies with the continuous disclosure requirements in section 675 of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity. The Responsible Entity complies with these continuous disclosure requirements

of the Corporations Act as if the Fund were an unlisted disclosing entity.

### Class Order Relief - Periodic Statements

ASIC has granted relief under ASIC Corporations (**Periodic Statement Relief for Quoted Securities**) Instrument 2024/14 which exempts the Responsible Entity from certain periodic statement requirements. In particular, we are not required to include in periodic statements purchase or sale price information or return on investment information where the Responsible Entity is unable to determine such information and the periodic statement explains why this information is not included and describes how it can be obtained or calculated. In addition, Instrument 2024/14 requires us to report in the periodic statement whether the Fund has met its investment objective over the last one year and five year periods.

### Indirect Investors

If you invest in the Fund through an IDPS, 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 trust, platform or IDPS becomes a unit holder and acquires these rights and may exercise these rights as they see fit. As an investor in the IDPS or IDPS-like scheme, you must read this PDS in that context. For information about your investment, you should contact your IDPS or platform operator.

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

### Complaints resolution

We have procedures in place to handle any enquiries or complaints from you as quickly and smoothly as possible. If you have a complaint or enquiry, please call Apex Fund Services on 1300 133 451 or email [registry@apexgroup.com](mailto:registry@apexgroup.com).

We will acknowledge your complaint within one business day of receipt of the complaint and will address your complaint within 30 days of receipt. If we are unable to address your complaint in this time we will inform you of the reasons for the delay. If we do not address your complaint within 30 days of receipt and an extension of time has not been agreed or you are not satisfied with our response, you may refer it to the Australian Financial Complaints Authority (AFCA) of which we are a member. AFCA is the external dispute resolution scheme for complaints involving financial services and products.

Contact details for AFCA are as follows:

**Address:** GPO Box 3 Melbourne VIC 3001  
**Telephone:** 1800 931 678  
**Website:** [afca.org.au](http://afca.org.au)  
**Email:** [info@afca.org.au](mailto:info@afca.org.au)

### Related party transactions and conflicts of interests

We may appoint any of our related entities to provide services or perform functions in relation to the Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length. GSFM Pty Limited (**GSFM**) (ABN 14 125 715 004) is the distributor of the Fund. GSFM is a related party of GRES and its appointment was made on an arm's length basis and for reasonable remuneration.

The Investment Manager of the Fund, Munro Partners, is a related party of GRES. GRES pays reasonable remuneration to Munro on arm's length commercial terms.

In the course of managing the Fund we may face conflicts in respect of our duties in relation to the Fund, related funds and our own interests. GRES and Munro have established internal policies and procedures to ensure that any conflicts of interest arising in relation to the Fund are adequately identified and appropriately managed. Any conflicts of interests that may arise will be dealt with fairly and reasonably and in accordance with the law, ASIC policy and GRES' and Munro's conflicts of interest policies.



## 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:

- Munro Partners as investment manager of the Fund;
- JPMorgan Chase Bank NA as custodian and administrator to the Fund;
- Apex Fund Services Pty Ltd as unit registry for the Fund;
- PricewaterhouseCoopers as the auditor of the Fund and compliance plan;
- KPMG as tax agent to the Fund;
- Macquarie Securities (Australia) Limited as market making agent for the Fund; and
- Solactive AG as iNAV provider 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.

## TERMS USED IN THIS PDS

<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
<b>Areas of Interest or Aol</b>	Top-down thematic views.
<b>AUD or \$</b>	Australian dollars.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited and its affiliates.
<b>ASX Listing Rules</b>	The listing rules of the ASX as amended, varied or waived from time to time.
<b>ASX Operating Rules</b>	The operating rules of the ASX as amended, varied or waived from time to time.
<b>ASX Trading Day</b>	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Bank Account</b>	Bank Account means an account with an Australian Authorised Deposit Taking Institution (which includes a building society and credit union).
<b>Business day</b>	Any day that is not a Saturday, Sunday, public or bank holiday in New South Wales.
<b>CHESS</b>	The Clearing House Electronic Sub-register System.
<b>Constitution</b>	The constitution deed of the Fund as amended from time to time.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Fund</b>	Munro Concentrated Global Growth Fund Active ETF, ARSN 654 019 940 ABN 60 182 940 733
<b>GST</b>	Goods and Services Tax chargeable in accordance with the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>IDPS</b>	Investor Directed Portfolio Service.
<b>iNAV</b>	Means indicative NAV per unit.
<b>Investment Manager, Munro Partners, 'Munro'</b>	Munro Partners.
<b>Management fee</b>	The amount payable to the Responsible Entity for managing the Fund and your investment. It includes costs such as Investment Manager fees, operating expenses and all other normal costs.
<b>Net Asset Value or NAV</b>	The net asset value of the units in the Fund or, if specifically stated, the net asset value of the Fund, as determined under the Constitution.
<b>PDS</b>	This product disclosure statement.
<b>Underlying Fund</b>	Munro Concentrated Global Growth Fund ARSN 630 173 189 ABN 22 569 402 276 APIR Code GSF9808AU.
<b>Underlying Fund Constitution</b>	The constitution of the Underlying Fund as amended from time to time.
<b>Responsible Entity or GSFM Responsible Entity Services</b>	GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517 as responsible entity of the Fund.
<b>Unit holder</b>	A person entered on the register of the Fund as a holder of units.
<b>Units</b>	Unless specifically stated, being a beneficial interest in the Fund as offered under this PDS.
<b>'we', 'our', 'us' or 'GRES'</b>	The Responsible Entity of the Scheme.

CORPORATE DIRECTORY

Responsible Entity	GSFM Responsible Entity Services Limited Level 1, 275 George Street Sydney NSW 2000  gsfm.com.au
Investment Manager	Munro Partners Level 12, 80 Collins Street (South Tower) Melbourne VIC 3000  munropartners.com.au
Mailing Address	Apex Fund Services – Unit Registry GPO Box 4968 Sydney NSW 2001
Client Service	Email: registry@apexgroup.com Phone: 1300 133 451

