



Macquarie Professional Series

Information Booklet



ISSUER / MACQUARIE INVESTMENT MANAGEMENT AUSTRALIA LIMITED
ABN 55 092 552 611 AFSL NO. 238321
DATE OF ISSUE / 30 APRIL 2020

Contents

01 About Macquarie Investment Management Australia Limited	01
02 How the Funds work	02
03 Benefits of investing in the Funds	06
04 Risks of managed investment schemes	06
05 How we invest your money	07
06 Fees and costs	10
07 How managed investment schemes are taxed	14
08 How to apply	17
09 Other information	18

IMPORTANT INFORMATION

This is the information booklet (**Information Booklet**) for each fund listed on page 1 (**Funds**).

The product disclosure statement for each Fund (**PDS**) is a summary of significant information about that Fund. Each PDS contains a number of references to additional important information contained in this Information Booklet. The Information Booklet forms part of each PDS and you should read this Information Booklet together with the relevant PDS before making a decision to invest in a Fund. Certain sections in this Information Booklet may not apply to all Funds.

Information in a PDS and this Information Booklet may change from time to time. Where information that changes is not materially adverse to investors, we may update this information by updating the relevant document or by publishing an update at macquarie.com.au/pds.

You can access a copy of the latest version of a PDS, this Information Booklet and any updated information free of charge from our website or by contacting us.

The information provided in a PDS and this Information Booklet is general information only and does not take account of your personal financial situation or needs. You should obtain your own financial advice tailored to your personal circumstances.

This offer is only open to persons receiving the relevant PDS and this Information Booklet within Australia or any other jurisdiction approved by us.

Other than Macquarie Bank Limited (**MBL**), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

Capitalised terms used in this Information Booklet that are not defined have the meaning given to those terms in the relevant PDS. All references to 'dollars' or '\$' herein refer to Australian dollars.

Warning statement for New Zealand investors

Applicable for the following Funds only:

- Arrowstreet Global Equity Fund
- Arrowstreet Global Equity Fund (Hedged)
- IFP Global Franchise Fund
- IFP Global Franchise Fund (Hedged)
- Macquarie Professional Series Global Equity Fund
- Polaris Global Equity Fund
- Polaris Global Equity Fund (Hedged)
- Walter Scott Emerging Markets Fund

- Walter Scott Global Equity Fund, and
- Walter Scott Global Equity Fund (Hedged).

- The 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 and Regulations. In New Zealand, this is Part 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- The offer and the content of the relevant PDS and Information Booklet are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and regulations made under that Act set out how the offer must be made.
- There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- 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.
- Both the Australian and New Zealand securities 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 (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- 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.
- If you expect the securities 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.*
- The dispute resolution process described in this Information Booklet is only available in Australia and is not available in New Zealand.
- 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.

* Redemptions and distributions of income will only be paid in Australian dollars to an Australian bank account.

Fund name	ARSN	APIR code	PDS issue date
Arrowstreet Emerging Markets Fund	122 035 910	MAQ0477AU	1 July 2019
Arrowstreet Global Equity Fund*	122 036 006	MAQ0464AU	1 July 2019
Arrowstreet Global Equity Fund (Hedged)	090 078 943	MAQ0079AU	1 July 2019
IFP Global Franchise Fund*	111 759 712	MAQ0404AU	1 July 2019
IFP Global Franchise Fund (Hedged)	138 878 092	MAQ0631AU	1 July 2019
Macquarie Professional Series Global Equity Fund	601 831 467	MAQ0847AU	10 January 2020
Polaris Global Equity Fund	169 928 232	MAQ0838AU	1 July 2019
Polaris Global Equity Fund (Hedged)	617 378 006	MAQ2806AU	1 July 2019
Walter Scott Emerging Markets Fund	140 355 719	MAQ0651AU	1 July 2019
Walter Scott Global Equity Fund*	112 828 136	MAQ0410AU	1 July 2019
Walter Scott Global Equity Fund (Hedged)*	129 574 447	MAQ0557AU	30 April 2020

* Available for investment through mFund. Please refer to the relevant Fund's PDS and this Information Booklet for further information.

1 About Macquarie Investment Management Australia Limited

Please refer to the relevant PDS.

2 How the Funds work

Additional information on how to invest and access your money

Delays when an Application Form is incomplete

As part of Macquarie's obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF**), we cannot accept or process an application to invest until we are satisfied that the identity of the investor has been verified in accordance with the AML/CTF.

Where an application is unable to be finalised for AML/CTF reasons or is otherwise incomplete, we will seek to contact you to obtain the missing or additional information. Your application will not be accepted by us, nor units issued to you, unless our AML/CTF verification has been completed or other issues have been addressed to our satisfaction.

If we are not able to issue units immediately after receipt of your application money, that money will be held in a non-interest bearing trust account with an authorised deposit-taking institution.

If we are not able to issue units within a period of one month starting from the day on which we receive your application money (or if this is not reasonably practicable, by the end of such longer period as is reasonable in the circumstances), we will return the application money to you.

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

Paying your investment amount

For investments other than through mFund, payment of the initial and any additional investments can be made by:

- bank transfer
- Real Time Gross Settlement (**RTGS**)
- cheque
- direct debit (for initial investment amounts only), and
- such other method approved by us.

Make the cheque payable to 'MIMAL – [Fund name] A/C [Full investor name]'.

For example 'MIMAL – ABC Fund A/C John Smith ATF Smith Super Fund'.

For investments other than through mFund, additional investments can also be made at any time by paying additional cleared funds into your Investment Account. Deposits into the Investment Account will be deemed to be an application for additional units, without requiring any further documentation or instructions from you. We will not be responsible for any losses incurred by you as a result of the incorrect payment of funds into an incorrect bank account or as a result of funds deposited into the Investment Account being applied to acquire additional units in the Fund.

For investments through mFund, payment of the initial and any additional investments can only be made through the mFund Settlement Service (that is, by instructing your broker).

To assist in processing additional investments greater than \$500,000, please send notification by facsimile to Client Service prior to the Fund's Application Cut-off.

There may be delays in receipt of cleared funds for each method of payment and cleared funds will not necessarily be received by Macquarie prior to any particular Application Cut-off. Payments must be made in Australian dollars.

Confirmation of instructions

For investments other than through mFund, when you are instructing us in relation to the following:

- a redemption greater than or equal to \$1,000,000
- a redemption to an account which is not the pre-nominated bank account, even if it has the same account name as the pre-nominated bank account
- a redemption where there has been a change of bank account details from the original Application Form, or
- a change of authorised signatory/signatories

we may contact an authorised signatory for the investment to confirm that the instruction is authorised.

If you invested through mFund, we may contact you to confirm certain redemption instructions.

If we are unable to contact you, we may postpone the processing of the instruction until we have been able to make contact and confirm the instruction. Your instruction will not be treated as having been received by us until it has been confirmed, unless we determine otherwise.

Suspension of redemptions

Macquarie may be required to suspend redemptions from a Fund (including indefinitely) where the Fund is no longer 'liquid', as defined in the Corporations Act. While a Fund is not liquid, we may, at our discretion, offer investors the ability to redeem (wholly or partly) from the Fund but only if there are assets available that are able to be converted to cash to meet redemptions under the offer.

Redemption proceeds

We may pay the redemption proceeds on your units into a non-interest bearing trust account in order to facilitate payment of these amounts to your nominated account. If we are unable to credit your account for any reasons these amounts may continue to be held in such a non-interest bearing trust account until you provide alternative payment instructions or we are required by law to pay these amounts to any regulatory body or other person or account.

Other important information about redemptions

We may compulsorily redeem your units where permitted or required by law or the constitution of a Fund.

If you submit your redemption request by facsimile or email, Macquarie may rely on the faxed or emailed redemption request to process your redemption.

If Macquarie receives a redemption request by facsimile or email, you:

- acknowledge that there is potentially a greater risk that fraudulent facsimile or email instructions can be given by someone who has access to your account number and a copy of your signature(s) and that you accept such risks
- acknowledge that Macquarie may assume that the instruction has been sent, and is authorised, by or on behalf of you, and
- release Macquarie from, and indemnify Macquarie against, all losses and liabilities arising from any payment or action taken by Macquarie based on any instruction bearing your account number and a signature that purports to be yours or that of an authorised signatory on the account, even if such instructions are not authorised (except to the extent that such losses and liabilities directly arise from the negligence or wilful default of Macquarie).

Application and Redemption Cut-off times

Application and Redemption Cut-off times may be changed in certain circumstances including where the market for trading the assets of a Fund closes early (for example, Christmas eve). Any changes to the Application and Redemption Cut-off times will be published on our website at macquarie.com.au/unit_prices.

Payment of distributions

If you elect to have your distributions paid to you, we may pay distributions into a non-interest bearing trust account in order to facilitate payment of these amounts to your nominated account. If we are unable to credit your account for any reason these amounts may continue to be held in such a non-interest bearing trust account until you provide alternative payment instructions or we are required by law to pay these amounts to any regulatory body or other person or account.

Transferring units

For investments other than through mFund, you may transfer units in a Fund to another person by providing us with:

- a standard transfer form signed and completed by both you and the party receiving the units, and
- an Application Form accompanying the current relevant PDS duly signed and completed by the party receiving the units, and
- such other information and confirmations (including to comply with AML/CTF requirements) that we may request.

If you hold units in a Fund through mFund, you currently cannot transfer those units to another person.

We reserve the right to decline transfer requests at our discretion (including because we have not received all requested information from you or the party to whom you propose to transfer your units).

A transfer of units involves a disposal of units, which may have tax implications. Stamp duty may also be payable on the transfer (including where there is a change in legal ownership but no change in beneficial ownership) unless an exemption applies. You should obtain tax and stamp duty advice before requesting a transfer.

Incorrect addresses and facsimile numbers

You are responsible for ensuring that you send your application and redemption requests and any other correspondence to the correct address or facsimile number. If incorrect contact details (including incorrect email addresses) are used, your request may be delayed or not processed.

We accept no responsibility for requests (including for applications and redemptions) that have been sent to an incorrect address (including email addresses, if applicable) or facsimile number, including those for other parts of the Macquarie Group that are not referred to in this PDS. If incorrect contact details are used, your request may be delayed or not processed.

Please contact Client Service if you would like to confirm our address, email or facsimile number.

Valuation and unit pricing

We usually value a Fund's assets at its most recent market value, using independent pricing sources where available for the particular asset type. Any interests held in unlisted funds are valued at their most recent prices as supplied by the fund operator. Assets are valued as at the close of business on a valuation day in each of the relevant domestic or international markets. We may use model values or fair values if market values are not available or are considered by us to be unreliable.

The valuation methods and policies we apply to value a Fund's assets and liabilities are consistent with applicable industry standards and result in unit price calculations that are independently verifiable. Under the constitution for each Fund, we have certain discretions in determining application and redemption prices. We have documented our policy regarding the exercise of these discretions. You can obtain a copy of the policy and the related documents, free of charge, by contacting Client Service.

In some circumstances, we may need to suspend the calculation of unit prices for a Fund (including indefinitely).

For example, this may be necessary due to the closure of, or trading restrictions on, securities exchanges.

Fair value

A Fund may have exposure to a security that is subject to a trading suspension or where valuing the security is otherwise difficult. While a fair value may be ascribed to the position, the price of the security following the lifting of the suspension or the circumstances causing the difficulties in valuation may differ significantly. An investor, who holds units at the time the Fund had exposure to the security that is fair valued and redeems the units prior to a revaluation, will not benefit from the higher revaluation.

mFund Settlement Service

The following information is applicable for:

- Arrowstreet Global Equity Fund
- IFP Global Franchise Fund
- Walter Scott Global Equity Fund, and
- Walter Scott Global Equity Fund (Hedged).

The mFund Settlement Service (**mFund**) is a managed fund settlement service operated by the Australian Securities Exchange (**ASX**). The following information applies in relation to investments in a Fund through mFund. Funds that are available through mFund are noted in the table on page 1.

Investing through mFund

While a Fund is admitted on mFund, you will be able to buy (apply for) or sell (redeem) units in the Fund through your broker (or your financial adviser who uses a broking service on your behalf).

Applications through mFund are subject to earlier cut-off times than the cut-off times specified in the relevant Fund's PDS. Please contact your broker for the applicable cut-off times.

Your holding in a Fund through mFund is generally a broker-sponsored holding, linked to your CHESS Holder Identification Number (**HIN**). Your HIN may be used to hold your other investments transacted through the ASX. This means that you can track your mFund managed fund investments using the same system you use for shares and other securities. If you do not currently have a HIN, your broker will issue you with a new HIN.

You can provide access to information in relation to your investment in a Fund to a third party. Simply submit your signed instruction along with a copy of your photo identification (such as a driver's license or passport) to us by mail, email or facsimile.

Applications and redemptions

For investments through mFund, your broker will instruct the investment in a Fund on your behalf. The broker will be responsible for collection of the application monies from you and transferring the application monies to that Fund.

For redemptions through mFund, your request must be instructed by your broker and the transaction will be settled through mFund. The redemption proceeds will be paid to your broker's nominated account and your broker will be responsible for transferring the redemption proceeds to you. We will generally not accept requests to convert units in a Fund held through mFund into a direct holding of units, meaning that you will generally only be able to withdraw from that Fund by redeeming through mFunds, and not by directly contacting Macquarie.

We have no legal relationship with, or control over, the brokers eligible to access mFund, nor which brokers are granted access. Accordingly, we will not be responsible for any act or omission of your broker, including application monies that your broker fails to transfer to us, any delay by your broker in transferring application monies to us, any redemption proceeds that are not paid to you by your broker or any delay by your broker in paying redemption proceeds to you.

Instructions

For investments through mFund, all instructions in relation to the investment (including applications, redemptions and change of contact details) must be made through your broker. We are generally unable to accept instructions directly from you.

We will assume that any instruction that we receive from your broker on your behalf has been authorised by you.

Additional mFund risks

If you invest in a Fund through mFund, then you may be exposed to additional risks, including: failure or delays resulting from the ASX's systems and counterparty risk in relation to your broker. In addition, there is a risk that your ability to apply for, or redeem units, through mFund is suspended or discontinued in the future, leading to you experiencing delays in the processing of applications or redemptions. This may occur because we decide to remove a Fund from mFund (which we may do at our discretion) or because the ASX suspends or revokes a Fund's admission/settlement status on mFund as a result of the Fund failing to comply with the ASX admission requirements or otherwise.

If we decide to remove a Fund from the mFund service, we will provide investors with no less than 30 days prior notice. If a Fund is removed from mFund, your investment in the Fund will be converted into a direct holding in the Fund outside of mFund. In such a situation, we may request certain additional information from you (such as redemption bank account details and identification information) prior to a redemption from the Fund.

Declarations

If you make an investment in a Fund through mFund, you represent and warrant, by investing in the relevant Fund through mFund, that:

- you have received, read and understood the PDS for the Fund (as may be updated from time to time) to which your application relates, and you agree to be bound by the terms of the PDS
- you agree to be bound by the constitution of the Fund (as amended from time to time)
- you will not knowingly do anything to put Macquarie in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and related rules (**AML/CTF Laws**) and you will notify Macquarie if you are aware of anything that may put Macquarie in breach of AML/CTF Laws
- if requested, you will provide additional information and assistance, and comply with all reasonable requests to facilitate Macquarie's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction
- you are not aware and have no reason to suspect that:
 - the money used to fund the investment is derived from or related to:
 - money laundering, terrorism financing or similar activities or
 - other illegal activities, and
 - proceeds received in connection with an investment in the Fund will fund illegal activities
- all information provided for an investment in the Fund is accurate, complete and up to date

- vii. you agree to personal information about you being collected, used and disclosed in accordance with Macquarie's Privacy Policy and the privacy statement in this Information Booklet, including direct marketing
- viii. if you are a trustee, you are authorised under the trust deed of the trust to apply for, and hold, units in the Fund
- ix. you agree that Macquarie may send notices, communications and disclosures to you by post or electronically by email and/or by posting the notice, communication or disclosure on the Macquarie website
- x. you agree to access communications, notices and disclosures on the Macquarie website. Communications, notices and disclosures will be taken to have been received by you upon posting of the communication, notice or disclosure on the Macquarie website
- xi. you authorise Macquarie to disclose details of your investment in the Fund to your broker and their authorised representatives, and
- xii. you:
 - acknowledge that we will assume that any instruction that we receive from your broker on your behalf has been sent, and is authorised by you, and
 - release Macquarie from, and indemnify Macquarie against all losses and liabilities arising from any payment or action taken by Macquarie based on an instruction received from your broker, even if such instruction is not authorised (except to the extent that losses and liabilities directly arise from the negligence or wilful default of Macquarie).

Indirect investors

You may invest indirectly in a Fund as an 'indirect investor' through an IDPS by directing the IDPS operator to acquire units in the Fund on your behalf.

An indirect investor does not become a unitholder in a Fund. Accordingly, an indirect investor does not acquire the rights of a unitholder of a Fund or acquire any direct interest in a Fund. The IDPS operator acquires these rights and can exercise, or decline to exercise, them on your behalf according to the arrangements governing the IDPS. As an indirect investor, you will still have access to our dispute resolution process.

If you invest in a Fund through an IDPS, certain information in the relevant PDS and this Information Booklet may not be relevant to you. This includes information relating to:

- minimum initial investment and additional investment amounts
- applications and application forms
- redemptions and switches, and
- transferring units.

Your IDPS operator can provide you with the unit prices for your investment and any other terms and conditions that may apply to any investment you propose to make in a Fund through that IDPS operator. If you are investing through an IDPS, the net performance of your investment in a Fund may differ from the information we publish, due to cash flows specific to your portfolio and any fees charged by the IDPS operator.

Fees and expenses, applicable to the IDPS (as set out in the IDPS offer document or client agreement), may be payable in addition to the fees and expenses stated in the PDS.

3 Benefits of investing in the Funds

Keeping you informed

To keep you up to date on your investment in a Fund, we will provide or make available:

- transaction confirmations
- transaction statements at least annually
- an annual tax statement for Australian resident investors to assist in completing tax returns, and
- an annual financial report.

For investments other than through mFund, the Application Form contains a number of options in relation to access to annual financial reports.

For investments through mFund, please contact Client Service to elect to receive an electronic or hard copy of the annual report for each financial year for the relevant Fund.

If you do not make an election, a copy of the latest financial report will not be sent to you but will be available at macquarie.com.au/financial_statements.

Our website has additional information about the Funds including unit prices, performance and performance reports.

You are also able to access and view some account information online through our secure website. Register for this service by completing the Online Registration form which you can download at macquarie.com/onlineform.

Continuous disclosure documents

A Fund may be a disclosing entity for the purposes of the Corporations Act and subject to certain regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC in relation to any Fund may be obtained from, or inspected at, an ASIC office.

As an investor in a Fund, you have the right to obtain, free of charge, the following periodic documents (in printed or electronic form) from us for the relevant Fund:

- the annual financial report (including financial statements) most recently lodged with ASIC, and
- any half-year financial report (including financial statements) lodged with ASIC or any continuous disclosure notices provided by us after the lodgment of the annual financial report and before the date of the relevant Fund's PDS.

4 Risks of managed investment schemes

Please refer to the relevant PDS.

5 How we invest your money

Investment process

The following information is applicable for:

- Arrowstreet Emerging Markets Fund
- Arrowstreet Global Equity Fund, and
- Arrowstreet Global Equity Fund (Hedged).

Arrowstreet adopts an active, quantitative investment approach that seeks to consistently outperform the Benchmark through varying market conditions. Arrowstreet combines investment intuition with rigorous quantitative research in an effort to identify attractive stocks around the world.

Arrowstreet's investment process uses forecasting models that combine the experience and judgement of Arrowstreet's investment team with quantitative analysis to forecast individual stock returns.

Stock forecasts are based upon a diverse set of predictive factors that can be categorised as value, momentum, quality, catalysts, extreme sentiment and high frequency signals.

- **Value** signals assist Arrowstreet to identify stocks that are either undervalued or overvalued relative to fundamentals.
- **Momentum** signals assist Arrowstreet to identify stocks that are expected to outperform based on the slow reflection of information in security prices and speculative behaviour on the part of investors.
- **Quality** signals are slow moving complements to value signals. Indications of high quality justify higher long-term valuation multiples.
- **Catalyst** signals are relatively high frequency signals that indicate changes in stock prices in the near term. These signals reflect news rather than considering price movement information. Catalysts are typically used in timing entry to and exit from longer term trades.
- **Extreme sentiment** signals are the complement of catalyst signals. As catalysts measure the change in sentiment, extreme sentiment signals measure the level of sentiment.
- **High frequency** signals help identify short-term opportunities and are useful in timing longer term trades driven by more persistent signals.

In relation to the Arrowstreet Emerging Markets Fund, Arrowstreet's currency model uses similar investment concepts to those used in their equity return models. The investment process recognises the risks and return opportunities associated with active currency exposures in the portfolio.

In relation to the Arrowstreet Global Equity Fund, derivatives may be used to manage currency risk arising from differences in currency weights of the Fund's investments compared to currency weights of securities held in the Fund's Benchmark. However, the Fund's exposure to foreign currencies is not hedged back to Australian dollars.

The Arrowstreet Global Equity Fund (Hedged) will be exposed to any use of derivatives by the Arrowstreet Global Equity Fund, and will also use derivatives to hedge the Fund's foreign currency exposure back to Australian dollars.

Arrowstreet uses an optimisation process to build portfolios balancing the trade-offs between stocks' expected returns, contributions to portfolio risks and trading costs.

The following information is applicable for:

- IFP Global Franchise Fund, and
- IFP Global Franchise Fund (Hedged) Fund.

IFP's investment approach is bottom-up and driven by in-depth company research. The franchise investment approach is founded on the belief that a concentrated portfolio of exceptionally high quality companies, whose primary competitive advantage is supported by a dominant intangible asset selected at attractive valuations, will earn attractive long-term returns with less than average absolute volatility. Franchise companies tend to exhibit the following characteristics:

- resilient intangible assets (for example brands, licenses, patents)
- domestic/international growth potential
- low capital intensity
- high free cash flow generation
- financial strength: comfortable coverage of fixed charges, and
- capable management.

IFP supplements detailed proprietary fundamental analysis with one-on-one meetings with company management to evaluate and monitor these companies over time. Management is always interviewed before an investment is made. The Fund is constructed one stock at a time and does not use the Benchmark as a portfolio construction tool.

The companies in which IFP invests are typically found in sectors such as branded consumer goods (including tobacco), pharmaceuticals, media and publishing, broadcasting and information services. IFP typically does not invest in capital intensive industries such as telecommunications and utilities. IFP also typically invests in companies listed in developed countries with a strong culture and history of public participation in ownership of companies listed on stock exchanges.

IFP evaluates risk in absolute terms, not relative to the Benchmark, and deliberately avoids the Benchmark in its portfolio construction process. Since its goal is to earn attractive returns over the long term with less than average volatility, IFP focuses on the risk factors that are most likely to influence that outcome. These absolute risk factors include management quality, financial leverage, franchise durability, and free cash flow valuation.

While IFP seeks a diversified portfolio, it does not sacrifice either quality or value to achieve diversification or Benchmark characteristics. IFP's absolute approach to risk has resulted in historical portfolio returns that are substantially less volatile than the Benchmark.

The following information is applicable for the Macquarie Professional Series Global Equity Fund only.

The selection process that is applied to the Macquarie Professional Series funds uses both quantitative and qualitative techniques. Prior to their selection as manager of an Underlying Fund, we subject each manager to a rigorous due diligence process, which includes a quantitative review, investment strategy review, tailored due-diligence questionnaire, a series of meetings with key employees and a review of its operations, technology and risk management capabilities. Macquarie then conducts on-going due diligence on each manager, which generally includes an annual on-site review.

The Investment Manager selects Underlying Funds to include in the Fund's portfolio that have investment strategies that are complementary to the other Underlying Funds. By combining complementary investment styles, the aim of the Fund is to produce more consistent risk-adjusted returns from a diversified and well-balanced global equities portfolio.

The number of Underlying Funds in which the Fund invests and the allocation to each Underlying Fund may vary depending on the Investment Manager's view as to the preferred blended portfolio at any time to achieve the Fund's investment objective. The Fund may be invested in only some (and not all) of the global equity funds forming part of the Macquarie Professional Series at any time.

For information on the Underlying Funds (and the investment manager of each Underlying Fund), refer to the performance report for the Fund and each Underlying Fund's PDS, which are available on our website or can be obtained by contacting us.

The following information is applicable for:

- Polaris Global Equity Fund, and
- Polaris Global Equity Fund (Hedged).

Polaris's global value investment philosophy is based on two basic beliefs:

- i. country and industry factors are important determinants of security prices, and
- ii. global market fluctuations produce mispriced stocks.

Global markets have proven generally efficient over time, but investor behaviour creates volatility that can lead to inefficiencies. During these periods, the stock price may not reflect a company's long-term fundamental valuation and/or future cash flows. The Polaris team seeks to buy such undervalued companies worldwide.

Bottom-up fundamental research comprises the vast majority of time spent in the investment process. The research process is driven by a worldwide search for undervalued common stocks of strong companies that are priced to provide the required rate of return. Fundamental research covers financial analyses of companies including in-depth review of financial statements, research on suppliers, customers and competitors and meetings with company management.

This bottom-up stock selection results in portfolio weightings across industry, country and market capitalisation that are a function of what Polaris believes are the most attractive value opportunities. Although there are no limits on the proportion of the Fund's assets that may be invested in companies located in any one country, Polaris seeks to achieve broad geographic diversification by investing in different industries and countries. The Fund holds securities of companies listed globally which may also include exposure to companies in emerging markets and small capitalisation companies.

The following information is applicable for:

- Walter Scott Emerging Markets Fund
- Walter Scott Global Equity Fund, and
- Walter Scott Global Equity Fund (Hedged).

Walter Scott believes that companies capable of generating strong and sustained earnings growth over long periods typically exhibit key strengths such as:

- strong earnings growth
- high return on equity, and
- high free cash flow.

Walter Scott's fundamental bottom-up investment approach combines detailed financial analysis with qualitative research in screening the global share universe for companies that are likely to meet its investment criteria.

Once identified, Walter Scott then conducts intensive financial analysis to review the company's financial history. Revenue patterns are identified and profit growth and cash generation are considered over a business cycle. The structure and strength of the balance sheet is also considered in depth. If the preliminary financial analysis suggests the company is capable of meeting or exceeding Walter Scott's wealth-generating hurdle rates, detailed qualitative analysis is then undertaken.

The investment portfolio is constructed with a primary focus on stock-based analysis. Country and sector exposures are a consequence of the search for what are in Walter Scott's view 'the best companies operating in the best sectors'. As a result of this investment approach, the structure of the portfolio is likely to differ substantially from the composition of the Benchmark.

Walter Scott expects that on average, and based on long-term experience, 15 to 25 per cent or less of the stocks in the portfolio will be turned over each year, which reflects their long-term 'buy and hold' approach.

It is this long-term, classical and fundamental approach which defines Walter Scott's conservative style of growth investing.

Calculating the performance of the Funds

To calculate the performance of the Funds, we comply with the standards set by the Financial Services Council. Performance figures are calculated before tax and after deducting fees and expenses, using net asset value prices, assuming that income is re-invested and that the investment is held for the full performance calculation period. Past performance figures can be obtained from our website at macquarie.com.au/performance or by calling Client Service. Past performance is not a reliable indicator of future performance, which can differ materially. Returns can be volatile, reflecting rises and falls in the value of the underlying investments.

Ethical investments

Macquarie Asset Management is a signatory to the UN Principles for Responsible Investment (UNPRI). The investment process of the investment managers of the Funds is assessed to determine if environmental, social or ethical considerations are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.

Switching

There is only one investment option for each Fund. Switching is not available.

Changes to the Fund

We may make changes to the Funds from time to time, including to the investment strategy of the Funds or to investors' redemption rights. We will provide such notice as required by the Corporations Act or constitution of each Fund, and if required by either the Corporations Act and/or a Fund's constitution, we will seek unitholder approval at a meeting of unitholders (see Section 9 of this Information Booklet for more information).

You should bear in mind we have the discretion to replace the manager of a Fund with one or more investment managers. In certain circumstances we may replace the manager of a Fund without notice to you if we think it is in the best interests of investors in the Fund as a whole to do so.

We can terminate a Fund in accordance with the relevant Fund constitution. If a Fund terminates, both the Fund and unitholders may crystallise taxable gains or losses (including capital gains or losses). You are encouraged to seek independent tax advice on the implications of investing in managed funds.

6 Fees and 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 contribution fees and management costs where applicable. Ask Macquarie Investment Management 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)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

The table below shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, the returns on your investment or from a Fund's assets as a whole.

Unless stated otherwise, all fees are shown inclusive of GST, net of reduced input tax credits.

Information on how managed investment schemes are taxed is set out in Section 7 of this document and the relevant PDS.

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

Type of fee or cost ¹	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment The amount you pay for each Fund is shown on page 9.	The management costs consist of: Management fee Depending on the Fund, this will be up to 1.48% pa of the net asset value of the relevant Fund. See the table on page 9 for details of the management fee for each Fund. Indirect costs 0% pa of the net asset value of each Fund. ² See the table on page 9 for details of the indirect costs, if any, for each Fund.	Management fees: <ul style="list-style-type: none"> accrue daily and are payable monthly, and are deducted from the relevant Fund's assets and reflected in that Fund's unit price. Indirect costs, if applicable, are generally: <ul style="list-style-type: none"> paid when incurred, and deducted from the assets of the relevant Fund or an underlying fund, and reflected in that Fund's unit price.
Service fees		
Switching fee The fee for changing Funds	Nil	Not applicable

¹ You may incur a buy/sell spread when your money moves in or out of a Fund. See 'Buy/Sell spread' under the section 'Additional explanation of fees and costs' in the relevant PDS for further details.

² Based on our estimate of indirect costs for the previous financial year. Actual costs may vary including by material amounts. Past costs may not be a reliable indicator of future costs.

Additional fees and charges may apply. See the relevant PDS and the 'Additional explanation of fees and costs' section below for further information.

Fees may be individually negotiated if you are a wholesale investor under the Corporations Act and subject to compliance with applicable regulatory requirements. See 'Differential fees' below for more information.

Fund name	Management fee (% pa)	Estimated indirect costs ¹ (% pa)	Estimated management costs ² (% pa)	Estimated performance fee (% pa) ³
Arrowstreet Emerging Markets Fund	1.48	0	1.48	Nil
Arrowstreet Global Equity Fund	1.28	0	1.28	Nil
Arrowstreet Global Equity Fund (Hedged)	1.28	0	1.28	Nil
IFP Global Franchise Fund	1.38	0	1.38	Nil
IFP Global Franchise Fund (Hedged)	1.38	0	1.38	Nil
Macquarie Professional Series Global Equity Fund	0.88 ⁴	0 ⁵	1.12 ^{4,5}	0.184% ⁶
Polaris Global Equity Fund	1.28	0	1.28	Nil
Polaris Global Equity Fund (Hedged)	1.28	0	1.28	Nil
Walter Scott Emerging Markets Fund	1.38	0	1.38	Nil
Walter Scott Global Equity Fund	1.28	0	1.28	Nil
Walter Scott Global Equity Fund (Hedged)	1.28	0 ⁵	1.28 ⁵	Nil

¹ Based on our estimate of indirect costs for the previous financial year. Actual costs may vary including by material amounts. Past costs may not be a reliable indicator of future costs. Refer to the relevant PDS for more information.

² Management fee plus estimated indirect costs and excluding performance fees.

³ The estimate is based on information available as at the date of the relevant PDS and assumptions that we consider to be reasonable. It is not possible to reliably provide the actual performance fee payable in any given period, as we cannot accurately forecast what the performance of the Fund will be. The performance fee disclosed may differ to the actual performance fee charged, including to a material extent.

⁴ Prior to 10 January 2020, the management fee was 1.12% pa of the net asset value of the Fund. As the management fee has been reduced to 0.88% pa, the management fee and total costs (excluding performance fee) are likely to be lower in the future.

⁵ The indirect and management costs disclosed are the actual costs incurred by the Fund during the Fund's previous financial year.

⁶ From 10 January 2020, a performance fee will be charged to the Fund.

Additional explanation of fees and costs

Performance fees

Applicable for Macquarie Professional Series Global Equity Fund only.

From 10 January 2020, we charge a performance fee of 15.375% of the cumulative outperformance of the Fund (after management fee and expenses but before performance fee (paid or accrued)) above the return of the MSCI World ex-Australia Index in \$A unhedged with net dividends reinvested (**Benchmark**), subject to a 'high watermark'.

The fee is calculated on the net asset value of the Fund and is accrued daily and payable quarterly. It is deducted from the Fund's assets and reflected in the Fund's unit price. See the estimate above and the PDS for further information.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund. It is not possible to reliably estimate the actual performance fee payable in any given period, as we cannot accurately forecast what the performance of the Fund will be.

In general terms:

1. Each day, the cumulative performance of the Fund, from 10 January 2020, is compared with the cumulative performance of the Benchmark from 10 January 2020. The Fund's cumulative performance is calculated after the deduction of management fees and expenses but before the deduction of performance fees (paid or accrued) and disregards any applications in and redemptions out of the Fund. The ratio of the Fund's performance above the performance of the Benchmark is referred to as 'outperformance'.
2. A 'high watermark' is set each time the level of cumulative outperformance exceeds the previous highest level of cumulative outperformance from 10 January 2020.
3. The ratio by which the Fund's cumulative outperformance exceeds the previous high watermark is then calculated.
4. If the previous high watermark is exceeded on a day, a performance fee of 15.375% of the ratio of outperformance above the previous high watermark, multiplied by the Fund's net asset value for that day (before the performance fee), is then accrued. The performance fee is calculated daily and payable quarterly.

5. However, if the previous high watermark is not exceeded, no performance fee is deducted, even if the Fund performance has exceeded the performance of the Benchmark on that day.

Example – Balance of \$100,000

On a day, the cumulative performance of the Fund from 10 January 2020 is compared with the cumulative performance of the Benchmark from 10 January 2020, and there is no 'outperformance'.	No performance fee is payable.
On a day, the cumulative performance of the Fund from 10 January 2020, when compared with the cumulative performance of the Benchmark from 10 January 2020, has outperformed the Benchmark. However, the cumulative Fund outperformance from 10 January 2020 is less than the previous highest level of outperformance from 10 January 2020 (the 'high watermark').	No performance fee is payable.
On a day, the cumulative performance of the Fund from 10 January 2020, when compared with the cumulative performance of the Benchmark from 10 January 2020, has outperformed the Benchmark by 10%. The Fund's previous highest level of outperformance from 10 January 2020 (the 'high watermark') is 8%.	$15.375\% \times [(1+10\%) / (1+8\%) - 1] \times \$100,000 = \$284.72$ Therefore, for a balance of \$100,000, you would effectively pay a performance fee of \$284.72 for that year.

Indirect costs

Indirect costs are the costs (excluding the management and performance fees, if applicable) incurred in managing a Fund's assets which directly or indirectly reduce the return on that Fund. These costs are not directly charged or retained by us for acting as the responsible entity of that Fund. These costs are generally deducted from the Fund's or an underlying fund's assets, and reflected in the Fund's unit price. Indirect costs may comprise fund expenses, underlying fund fees and expenses, and other indirect costs, such as over-the-counter derivative costs and any other costs required to be included for the purposes of the Corporations Act.

Fund expenses

The constitution allows properly incurred expenses to be recovered directly from a Fund. When expenses are paid by a Fund, they will be deducted from the relevant Fund's assets and reflected in that Fund's unit price. Expenses are generally paid when incurred.

- **Administrative expenses**

We currently do not seek reimbursement for administrative expenses such as custody fees, registry costs, audit, accounting and tax fees, postage and printing costs. Such expenses will be paid by us out of the management fee. We will provide prior notice to investors if we seek to recover these expenses from a Fund in the future.

- **Abnormal expenses**

Abnormal expenses such as the cost of unitholder meetings, defending legal proceedings and the costs of terminating a Fund will generally be paid by that Fund. Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are in addition to administrative expenses.

Underlying funds – management fees, performance-related fees and expenses

A Fund may gain exposure to securities and other assets by investing in underlying funds. An underlying fund may charge a management fee, performance fee (referred to as a performance-related fee) and expenses.

Where we are (or an entity forming part of Macquarie Investment Management is) the responsible entity, trustee or investment manager of the underlying fund

- **Management fees:** Any management fee charged by the underlying fund will be rebated to the relevant Fund or reduced such that the management fee payable to us (whether directly or indirectly) will not exceed the management fee of the relevant Fund.
- **Expenses and performance-related fees:** Any performance-related fee and expenses charged by an underlying fund will generally be indirectly borne by the relevant Fund through the value of the relevant Fund's holding in an underlying fund. These fees and costs are included in the indirect cost amount for the relevant Fund.

Where we are not (or an entity forming part of Macquarie Investment Management is not) the responsible entity, trustee or investment manager of the underlying fund

Any management fee, performance-related fee and expenses charged by the underlying fund will generally be indirectly borne by the relevant Fund through the value of the Fund's holding in the underlying fund. The fees and expenses charged by the underlying fund are in addition to the fees and expenses charged by us for your investment in the relevant Fund.

Where the Fund invests into an underlying fund, we have relied on the information provided by the managers of those underlying funds and have made reasonable enquiries where necessary to determine the appropriateness of the indirect costs provided. These fees and costs are included in the indirect cost amount for the relevant Fund.

Transactional and operational costs

Buy/Sell spread

When units are acquired, a buy spread is added to the value of a unit. The buy spread is an amount which reflects the estimated transaction costs associated with acquiring the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the acquisitions on the price of the investments being acquired.

When units are redeemed, a sell spread is subtracted from the value of a unit. The sell spread is an amount which reflects the estimated transaction costs of disposing of the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the disposals on the price of the investments being sold.

We may at our discretion reduce the buy/sell spread in certain circumstances, for example where an investor subscribes using assets (rather than cash) on an application or receives assets (rather than cash) on a redemption.

Advice and brokerage fees

For investments in a Fund through mFund, in addition to fees for advice from your financial adviser, additional fees may also be payable to your broker or if applicable, to your financial adviser who uses a stockbroking service on your behalf, for applying for units in the Fund or redeeming from the Fund through mFund or providing other services in connection with mFund.

Please refer to the relevant statement of advice provided by your financial adviser and/or financial services guide provided by your broker for details of these fees.

Advice and brokerage fees are separate to any fees we charge in respect of your investment in a Fund, as set out in the 'Fees and costs' section of this Information Booklet and the relevant PDS.

Commissions and soft dollars

The dealer group to which an adviser belongs and your IDPS operators, may receive certain payments or other non-monetary benefits from us, such as business and technical support, professional development and entertainment.

We may, in accordance with applicable laws and Financial Services Council policy, receive goods and services (such as third party research) paid for by brokers where such goods and services assist us in managing the Funds.

The provision and receipt of such benefits is governed by our policy on soft dollar benefits. These payments and benefits are not an additional cost to you.

We maintain a register in compliance with the Industry Code of Practice on Alternative Forms of Remuneration summarising alternative forms of remuneration that are paid by or provided to us. Contact Client Service to view this register.

Differential fees

We may negotiate with wholesale clients (as defined in the Corporations Act) differential management fees and performance fees, rebates and other similar arrangements as permitted by the Corporations Act and ASIC relief. There is no set manner or method of negotiating fees. We may also offer reduced management fees to employees of the Macquarie Group of companies.

The reduced fees are determined by us and notified to eligible employees from time to time.

These arrangements do not adversely affect the fees paid or to be paid by, or the returns of, other unitholders in a Fund who are not entitled to the benefit of the arrangements. Contact Client Service for more information.

Reduced management fees and performance fees may be in the form of rebates. At our discretion, the maximum rebate we will offer is 100%, for example where a Macquarie Investment Management fund invests into another Macquarie Investment Management fund, the management fee is generally fully rebated.

Investing in a registered managed investment scheme is likely to have tax consequences. The information contained in the following summary is intended to be of a general nature only. It does not constitute tax advice and should not be relied on as such. You are strongly advised to seek independent professional advice on the tax consequences of an investment in a Fund, based on your particular circumstances, before making an investment decision.

Tax position of the Funds

Income tax

A Fund will elect into the Attribution Managed Investment Trust (AMIT) regime where it is eligible to do so. Under the AMIT regime, investors will be attributed amounts of income on a fair and reasonable basis for each relevant financial year. Where the AMIT regime applies to a Fund, the Fund should not be liable for Australian income tax under present income tax legislation. The AMIT regime is designed specifically for managed funds to provide certainty and flexibility to managed funds and their investors. The AMIT regime also seeks to codify longstanding managed fund industry practice.

Under the AMIT rules:

- A Fund will be deemed to be a 'fixed trust' for taxation law purposes.
- The allocation of taxable income to investors is based on 'attribution' rather than present entitlement to the 'income' of a Fund.
- A Fund has the ability to treat classes of units as separate for the purposes of the AMIT rules.
- A Fund may make year-on-year adjustments to reflect under-or-over distributions of the Fund's income ('under and overs').
- Investors may increase or decrease the cost base of their units where taxable income attributed is either less than or greater than (respectively) broadly the cash distribution and tax offsets for an income year, to avoid the potential for double taxation.

While investors will be attributed income under the AMIT regime, this should not fundamentally change the way investors are taxed. Consistent with the previous trust taxation regime:

- Australian residents will include their share of a Fund's income in their income tax return, and
- non-residents will have withholding tax deducted from distributions they receive from a Fund.

If a Fund does not elect into the AMIT regime, investors in the Fund will be presently entitled to the entire amount of the income of the Fund (including any capital gains) for each relevant financial year and will be assessed for tax on their share of the net income of the Fund (including any capital gains) for a financial year. If a Fund incurs a tax loss in a financial year, there will be no distributable income for that year and the tax loss may be carried forward in a Fund to be utilised in subsequent financial years (subject to the loss carry forward rules).

Please contact Client Service if you would like confirmation if a Fund has elected into the AMIT regime.

Tax position of resident investors

The following comments only deal with Australian residents who are individuals, complying superannuation entities and companies that will hold their units on capital account.

Capital Gains Tax (CGT)

An Australian resident investor's assessable income for each year includes any net capital gains (that is, after offsetting capital losses). There are two potential sources of capital gains tax to investors in relation to their investment in a Fund:

1. Capital gains tax may be payable on part of the distribution made in respect of units from a Fund that relates to the disposal of CGT assets in the Fund. Each Fund has made the Managed Investment Trust CGT election to treat shares, units and options over shares and units as CGT assets. A Fund's ability to make this election is subject to it satisfying certain criteria.

Each Fund does not make allowance in the unit price for any tax on unrealised net gains accruing when investments are re-valued. As a result, investors should be aware that they may be liable for capital gains tax arising from the sale of assets where unrealised gains arose before they acquired their units. The distribution by each Fund of certain non taxable amounts (if any) may give rise to cost base adjustments to an investor's units for CGT purposes. Such cost base adjustments may result in either an increased capital gain or reduced capital loss on the subsequent disposal of units in the Fund, or, an immediate capital gain to the extent the cost base of the units of the Fund is reduced to less than zero.
2. Capital gains tax may be payable when units are redeemed from a Fund. Concessions may be available depending on how long the units have been held. Where the units have been held continuously for at least 12 months, individuals and trusts may be entitled to a CGT discount of 50% and superannuation entities may be entitled to a discount of 33⅓% in relation to the disposal of units. Companies are not entitled to this discount. Capital losses incurred by an investor may be offset against the gross capital gains for the investment before the application of the CGT discount.

Where the AMIT regime applies to a Fund, the capital gains or income arising from securities sold to meet a significant redemption will be distributed to the redeeming investor on a fair and reasonable basis. Significant redemptions will generally be those where an investor's total redemptions in the one financial year are 5% or more of a Fund's net asset value but may be lower where we believe it is fair and reasonable in the circumstances. The objective would be for remaining investors not to be materially adversely affected by the capital gains resulting from a disposal of the assets where both that Fund and the redeeming investors make a capital gain in the relevant financial year.

Where the AMIT regime does not apply to a Fund and the constitution of the Fund permits, capital gains or income arising from securities sold to meet a significant redemption may also be distributed to the redeeming investor to ensure that remaining investors are not materially adversely affected by the redemption. Where a Fund is not an AMIT, significant redemptions are subject to the 5% of net asset value threshold. Please see section 7 the PDS of the relevant Fund for further details of whether the 5% of net asset value threshold applies to that particular Fund where the Fund is not an AMIT.

Taxation of financial arrangements (TOFA)

The TOFA rules may apply to financial arrangements held by a Fund when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in a Fund for tax purposes and will also treat relevant gains and losses as being on revenue account.

Franked dividends

Each Fund will seek to distribute franking credits to investors received from a Fund's investments in Australian companies. Any franking credits attached to distributions will be shown in investors' annual tax statements.

To the extent franking credits exceed tax payable by an investor, any excess may be refundable to individuals and complying superannuation funds.

Foreign income tax offsets

Australian residents are required to include in their assessable income their share of certain foreign taxes paid in respect of income derived by a Fund. Investors may be able to benefit from a foreign income tax offset in respect of foreign taxes paid by a Fund provided they are paid in relation to an amount that is included in the investor's assessable income and do not exceed the higher of a particular investor's foreign income tax offset limit and \$1,000.

Tax file number (TFN) and Australian Business Number (ABN)

It is not compulsory for investors to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if the TFN or ABN is not provided, tax will be deducted from income at the highest marginal rate plus the Medicare levy. TFNs and ABNs can be provided on the Application Form when making an initial investment.

Goods and Services Tax (GST)

Each Fund has registered for GST. The issue and redemption of units in each Fund and receipt of distributions will not be subject to GST. However, each Fund may incur GST on fees and expenses that it pays. Each Fund may be entitled to claim input tax credits and/or reduced input tax credits (RITCs) on certain of these fees and expenses.

Tax position of non-resident investors

Non-resident withholding tax

Appropriate deductions of Australian tax will be made from distributions of Australian sourced income to non-resident investors. The amounts will be withheld at the rates of tax applicable to non-resident investors and will depend on the type of income and residence of the investor. Distributions to non-resident investors from sources wholly outside of Australia and on most capital gains will generally be exempt from Australian income tax and withholding tax. Non-resident investors may also be subject to tax laws in the country in which they reside, but may be entitled to a credit for some or all of the tax deducted in Australia.

Capital Gains Tax

On the basis that the assets of each Fund will not be direct or indirect interests in Australian real property, no capital gains tax consequences should arise for non-resident investors (assuming that their units are held on capital account) as a result of investing in a Fund.

General information

Transaction taxes

Normal transaction taxes and stamp duties (if any) also apply.

Tax statement

An annual tax statement will be sent to each Australian resident investor to assist in completing tax returns.

Tax advice

If you have any questions regarding the application of income tax or capital gains tax to an investment in a Fund, you should consult your tax adviser. Any discussion of tax in this Information Booklet refers to Australian tax law as at the date of this Information Booklet, and that these laws may change at any time.

Automatic Exchange of Financial Account Information

Foreign Account Tax Compliance Act and Common Reporting Standard

Australian legislation relating to the automatic exchange of financial account information between jurisdictions has been passed. This legislation gives effect to the United States of America Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**). These regimes cover the collection and reporting of information to tax authorities by financial institutions.

Each Fund is a reporting Australian financial institution under the inter-governmental agreement entered into between the Australian and US governments in relation to FATCA effective from 1 July 2014. Each Fund is also a reporting Australian financial institution under the CRS, effective from 1 July 2017. As such, each Fund will be required to comply with the registration, due diligence and reporting requirements of FATCA and CRS.

Accordingly, we may request that you provide certain information in order for the relevant Fund to comply with their FATCA or CRS obligations. Depending on your status, for the purposes of FATCA and CRS, we may assess any information you provide to us and if required, report information in relation to you and your unit holding to the Australian Taxation Office (**ATO**). The ATO will, in turn, share such information with the US Internal Revenue Service or tax authorities of jurisdictions that have signed the 'CRS Competent Authority Agreement' on an annual basis.

How could the FATCA and CRS regulations affect you?

By applying for units in the Fund, you:

- agree to promptly provide us or our service providers with any information we may request from you from time to time
- agree to promptly notify us of any change to the information you have previously provided to us or our service providers
- consent to us disclosing any information we have in compliance with our obligations under FATCA and CRS
- consent to us disclosing any information we have if your units are held by or for the benefit of, or controlled indirectly by, specified US person(s) (in the context of FATCA) or foreign tax resident(s) (in the context of CRS), including disclosing information to the ATO, which may in turn report that information to the US Internal Revenue Service or other foreign tax authority, and
- waive any provision of domestic or foreign law that would, absent a waiver, prevent us from complying with our obligations under FATCA and CRS.

Failure to comply with our obligations under FATCA and CRS could result in the Fund being subject to a 30% US withholding tax on payments of US income or gross proceeds from the sale of particular US securities (in relation to FATCA only) and administrative penalties under Australian taxation law.

It is important to note that:

- although the Fund may take steps to manage the imposition of any withholding tax or penalties, no assurance can be given that the Fund will be successful, and
- if you fail to provide us with any information requested by us, and we become subject to such withholding tax or penalties, we may seek to recover such amount from you.

For further information in relation to how our due diligence and reporting obligations under FATCA and CRS may affect you, please consult your tax adviser.

8 How to apply

The PDS of each Fund contains information on how to apply.

Dispute resolution

The PDS of each Fund contains contact details for enquiries and complaints. If you make a complaint, we will assess your complaint and advise you of the outcome within 45 days of receiving your complaint.

If you are an individual or small business and you are not satisfied with the outcome of your complaint or how the complaint was handled, you may refer the complaint to the:

- Macquarie Customer Advocate, who will review the reasonableness and fairness of the outcome of your complaint, or
- Australian Financial Complaints Authority (**AFCA**), an independent external dispute resolution body approved by ASIC.

If you request the Macquarie Customer Advocate to carry out an independent review of your complaint and are not satisfied with the outcome, you can still raise your complaint with AFCA.

The Macquarie Customer Advocate can be contacted at:

The Customer Advocate

Macquarie Group Limited
PO Box R1723
Royal Exchange NSW 1225 Australia
Email: customeradvocate@macquarie.com
Telephone: 1800 898 307

AFCA can be contacted at the details below. Please quote our membership number, 14922.

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001 Australia
Telephone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

Please include the following information in your correspondence:

- your investor number and complaint reference number
- your preferred contact details, and
- a brief description of your complaint.

Our legal relationship with you

Macquarie as the responsible entity

As the responsible entity of the Funds, we are responsible for the management and administration of the Funds. We hold an Australian Financial Services Licence (AFSL), authorising us to act as the responsible entity of the Funds. Details of our AFSL can be found on ASIC's website at www.asic.gov.au.

Our powers and duties in relation to each Fund are set out in the constitutions relating to that Fund, the Corporations Act and general trust law.

Constitution

Each Fund is established by a constitution, as amended from time to time. The provisions of each constitution are binding on each investor in that Fund and persons claiming through them, as if the investor or person were a party to that constitution.

The constitution of each Fund contemplates that Macquarie may determine, agree, approve or consent to certain matters.

Unless the constitution or the Corporations Act otherwise provides, we may do so in our absolute discretion and subject to such conditions (if any) as we determine.

Each PDS and this Information Booklet contains a summary of some of the key features of the constitutions. Each constitution covers a number of additional matters, including:

- the nature of units (subject to any special terms of issue, identical rights attach to all units in a class)
- how and when redemptions are paid
- unitholder meetings (a resolution may bind you, regardless of how or whether you voted)
- the circumstances in which we are and are not liable to you
- our indemnification out of the assets of the Funds for all costs incurred by us in relation to the administration or management of the Funds (subject to the proper performance of our duties)
- the circumstance in which we can terminate a Fund, and
- your rights to share any Fund income, and how we calculate it.

Certain constitutions also cover the issuance of different classes of units. We can amend the constitution from time to time, subject to the provisions of the constitution and the Corporations Act. We can amend the constitution without your consent if we reasonably consider that the amendments will not adversely affect investors' rights. Otherwise, we must obtain the approval of the required number of unitholders at a meeting of unitholders (a resolution may bind you, regardless of how or whether you vote). A copy of each Fund's constitution is available upon request by contacting Client Service.

Classes of units

For certain Funds, the constitution may allow for the creation of different classes of units in the Fund with different rights and obligations to those applying to the units in other classes, including different fees. We may, subject to the Corporations Act, create new classes of units without notice to existing unitholders. Please contact us for a copy of the constitution of a Fund.

Corporations Act

Our duties under the Corporations Act include:

- acting in the best interest of unitholders and, if there is a conflict between unitholders' interests and our own interests, giving priority to unitholders' interests
- ensuring that Fund property is clearly identified as Fund property, is valued at regular intervals and is held separately from our property and the property of any other Fund, and
- reporting to ASIC any breach of the Corporations Act in relation to each Fund, which has had, or is likely to have, a materially adverse effect on the interests of unitholders.

We are liable for our agents engaged or appointed to provide services in connection with the Funds.

The compliance plan

We have prepared and lodged a compliance plan for each Fund with ASIC. The compliance plan sets out the compliance procedures that we will follow to ensure that we are complying with the Corporations Act and the relevant Fund's constitution. Our compliance with the compliance plan is independently audited each year, as required by the Corporations Act and the auditor's report is lodged with ASIC.

Class actions

The Funds may participate in, or have exposure to, class actions relating to securities held by the Funds. Due to the uncertainty around the likelihood of a successful claim, the unit price of a Fund may not take into account the potential proceeds from a successful claim until such time as determined by us. An investor who holds units at the time a Fund had exposure to the security that is the subject of the class action and subsequently redeems from that Fund may not benefit from the proceeds of a successful claim as we may not seek to distribute the proceeds (if any) to such investors.

Role of custodian

We may appoint custodians to hold the assets of the Funds. Macquarie may, from time to time, also hold some or all of the assets of a Fund (including cash). The role of a custodian of a Fund is limited. A custodian acts on the instructions of Macquarie or its agents and does not monitor the performance of Macquarie as responsible entity of a Fund or make investment decisions in respect of a Fund. A custodian is a paid service provider and is not responsible for the preparation of the PDS or this Information Booklet and therefore, accepts no responsibility for any information in the PDS or this Information Booklet.

Related party issues

In the execution of transactions, we deal with professional organisations that may include Macquarie Group Limited or its associated companies (**Macquarie Group**). All transactions are conducted on arm's length terms. We can also trade the Funds' investments with Macquarie Group. These organisations may receive commissions at prevailing market rates for the execution of transactions. Any conflict of interest or potential conflict of interest is managed in accordance with our Conflict of Interest Policy.

The Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services. The Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world. Macquarie Investment Management Australia Limited, as responsible entity of the Funds and investment managers of the Funds generally have no control over these activities. As a result, from time to time a Fund's activities may be restricted, for example due to regulatory constraints applicable to the Macquarie Group, and/or its internal policies designed to comply with such constraints.

In certain circumstances, statutory or internal Macquarie Group imposed restrictions may preclude the acquisition or disposal of securities by a Fund. Without limitation, this includes where the acquisition would cause the Macquarie Group's aggregated holdings in a company (including holdings that the Macquarie Group is required to aggregate) to exceed applicable takeover thresholds. In addition, where, due to such restrictions, there is limited capacity to acquire particular securities, the Funds will not have priority over any member of, or any other fund associated with, the Macquarie Group to acquire those securities. Such restrictions may result in an adverse effect on the value of a Fund's investments due to the Fund being unable to enter into positions or exit positions, as and when desired.

The provision of services by the investment manager of a Fund is not exclusive and the investment manager may provide similar services for other funds or separate client accounts that have the same or similar investment strategies to a Fund.

Investing through a margin loan

If you invest in a Fund through a margin lender, units in the Fund will generally be held in the name of the margin lender or its nominee. Accordingly, you may not acquire the rights of an investor in the Fund and all correspondence and dealings in relation to the investment must generally be through your margin lender.

Short-Form PDS

The PDS for each Fund has been issued pursuant to a disclosure regime for simple managed investment schemes, which is a prescriptive regime (including in relation to format and content). If you require further information before making a decision to invest in a Fund, please contact Client Service.

Protecting your privacy

We collect certain personal information from you, in order to administer your investment in a Fund. As required by law, we have adopted a Privacy Policy that governs the collection, storage, use and disclosure of personal information. A copy of our Privacy Policy is available from our website at macquarie.com.au/au/privacy_policy.htm.

By signing the Application Form, you agree to us collecting, storing, using and disclosing your personal information in accordance with our Privacy Policy. This includes using your personal information for:

- processing your application
- providing or marketing products and services to you
- administration purposes, including managing, monitoring, auditing and evaluating the products and services
- determining future product and business strategies and to develop services, including the modelling of data and data testing
- ensuring compliance with all applicable regulatory or legal requirements (including the requirements of superannuation law). This includes the requirements of ASIC, Australian Taxation Office, AUSTRAC and other regulatory bodies or relevant exchanges
- communicating with you in relation to your holding and all transactions relating to the holding, and
- providing products and services to you through other entities in the Macquarie Group, our agents, contractors or third parties whether or not located in Australia.

We collect and record personal information through our interactions with you and your nominated adviser(s), including by telephone, email or online. We may also collect personal information from public sources and third parties including information brokers and our service providers.

We aim to ensure that our record of your personal information is accurate, complete and up to date. If your personal information changes, inform us as soon as possible. You may correct or update this information by notifying us in writing.

Where you provide us with personal information about someone else you must first ensure that you have obtained their consent to provide their personal information to us based on this privacy statement.

We are required or authorised to collect your personal information under various laws including those relating to taxation and the AML/CTF Laws.

What happens if you do not give us information

You may choose not to give personal information about you to Macquarie. Depending on the type of personal information, the consequences set out below may apply if you do not do so:

- refer to 'Tax file number (TFN) and Australian Business Number (ABN)' in Section 7 of this Information Booklet for the consequences if you do not supply your TFN or a valid exemption (or in certain cases an ABN)
- we may not be able to approve your application for units in a Fund, and
- we may not be able to provide you with an appropriate level of service.

Disclosing your information

You agree and consent that Macquarie may disclose information we hold about you in the following circumstances:

- to other companies in the Macquarie Group as well as our agents, contractors or service providers, which provide services in connection with our products and services, for example printing statements or notices which we send to you
- supplying information about your investments to any financial adviser that is nominated by you, or their dealer group
- to your agents and representatives (for example your broker, adviser, solicitor, accountant or superannuation fund administrator) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor, whether or not located in Australia
- disclosing your personal information to regulatory authorities (for example tax authorities in Australia and overseas) in connection with their lawful information requests or to meet our legal obligations in any relevant jurisdiction
- using your personal information to contact you on an ongoing basis (by telephone, electronic messages, online and other means) to offer you products or services that may be of interest to you, including offers of banking, financial advisory, investment, insurance and funds management services, unless you tell us not to
- disclosing your personal information to any person proposing to acquire an interest in our business
- if the disclosure is required or authorised by law, or
- if you consent.

In order to use and disclose your personal information for the purposes stated above, we may be required to transfer your personal information to entities located outside Australia (this includes locations in the Philippines and India and the countries specified in our Privacy Policy). By completing the Application Form, you consent to your personal information being transferred overseas for these purposes.

Direct marketing

We and other companies in the Macquarie Group may use your personal information to contact you on an ongoing basis by telephone, electronic messages (like email), online and other means to offer products or services that may be of interest to you including offers of banking, financial, advisory, investment, insurance and funds management services, unless you change your marketing preferences by contacting us.

If you have any questions in regards to your privacy or to request access to your personal information that we hold, contact us on 1800 814 523 or email privacy@macquarie.com.

Complaints

If you wish to complain about any breach or potential breach of our privacy obligations, you should contact us. If you are unhappy with our response, you are entitled to contact the Office of the Australian Information Commissioner who may investigate your complaint further.

Representations

We have not authorised any person to give any information, or to make any representation about the Funds, which is not in the relevant PDS or this Information Booklet and, if given or made, such information or representation must not be relied on as having been authorised by us. Any other parties distributing a Fund are not our agent or representative and are doing so on their own behalf. We are not responsible for any advice or information given, or not given, to you by any party distributing the Funds and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from you relying on any information that is not in the relevant PDS or this Information Booklet.

Consents and disclaimer

Each of the following managers has given its consent to the issue of the PDS and Information Booklet with the statements about each manager and their investment process appearing in the form and context in which they appear, and has not withdrawn that consent before the date of the PDS and Information Booklet.

- Arrowstreet Capital, Limited Partnership
- Independent Franchise Partners, LLP
- Polaris Capital Management, LLC, and
- Walter Scott & Partners Limited.

MSCI, Inc

The Funds are not sponsored, endorsed, sold or promoted by MSCI, Inc. (**MSCI**), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the '**MSCI parties**'). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by Macquarie Investment Management Australia Limited. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of the Funds or any other person or entity regarding the advisability of investing in funds generally or in the Funds particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to the Funds or the issuer or owners of the Funds or any other person or entity.

None of the MSCI parties has any obligation to take the needs of the issuer or owners of the Funds or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Funds to be issued or in the determination or calculation of the equation by or the consideration into which the Funds are redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of the Funds or any other person or entity in connection with the administration, marketing or offering of the Funds.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the Funds, owners of the Funds, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Contact details

Macquarie Investment Management Client Service
PO Box R1723
Royal Exchange
NSW 1225 Australia

Telephone

1800 814 523 or
61 2 8245 4900
8.30am to 5.30pm (Sydney time)
Monday to Friday

Facsimile

61 2 8232 4730

Email

mim.clientservice@macquarie.com

Website

Direct investors: macquarie.com/personal/managed-funds

Advisers: macquarie.com/advisers/managed-funds