



MUNRO

MUNRO GLOBAL GROWTH FUND

Product Disclosure Statement

Ordinary units | ARSN 612 854 547 |

22 December 2025

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This Product Disclosure Statement (PDS) dated 22 December 2025 is issued by GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517, (GRES, the Responsible Entity or we), the Responsible Entity for the Munro Global Growth Fund ARSN 612 854 547 ABN 92 514 177 120 (Fund). It is important that you read this PDS carefully before deciding whether to invest. The Application Form, which contains important terms relating to the Fund, should also be read before deciding to invest, and is available from our website gsfm.com.au or by contacting Client Services.

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.

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.

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 Partners (**Munro or Investment Manager**), Morgan Stanley & Co International plc, UBS as Custodian Nominees and JPMorgan Chase Bank NA (Sydney Branch) (the **Custodians**) 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 5 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.

Information in this PDS is up to date at the time of preparation. However, some information may change from time to time. Where a change is considered materially adverse, we will issue a supplementary PDS or a new PDS. If the change contains no materially adverse information, we will publish the updated information at gsfm.com.au. Please check our website, or contact your financial adviser or Client Services for any updates prior to investing. You can also request a paper copy of the PDS and any updates by contacting Client Services.

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). 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.

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 objective	The objective of the Fund is to provide investors with meaningful, risk-adjusted, absolute returns through exposure to global growth equities over the medium to long term, while maintaining a capital preservation mindset.	Section 3
Benchmark	Benchmark unaware	
Investor profile	The Fund has an investment horizon of at least five years and may be suitable for investors seeking capital growth via exposure to a concentrated portfolio of global growth equities and who are prepared to accept the risks of the Fund set out in Section 4.	
Minimum investment timeframe	At least 5 years Please note this is a guide only, not a recommendation.	
Risk level	High 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.	Section 5
Disclosure Principle 1 - Investment strategy		
Investment strategy	The Fund invests primarily in listed international equities, deploying a long/short equities strategy with a long bias. The investment strategy is designed to identify sustainable growth trends that are underappreciated and mispriced by the market, and the resulting winning and losing stocks. It aims to achieve absolute returns for investors over rolling 3 to 5 year cycles.	Section 3
Risks of strategy	The investment strategy has specific risks which you should consider before making an investment decision. Other more general risks also apply. Before you make a decision to invest in the Fund, it is important to identify your investment objectives and the level of risk that you are prepared to take. We recommend you obtain financial advice before investing.	Section 3, 5
Disclosure Principle 2 - Investment Manager		
Investment manager	Munro The Chief Investment Officer for the fund is Nick Griffin. The investment team includes Portfolio Managers Kieran Moore, James Tsinidis, and Qiao Ma.	Section 2
Disclosure Principle 3 Fund structure		
Fund structure	The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. GRES is the Responsible Entity of the Fund.	See diagram in Section 3

Fund feature	Summary	Where to find more information
Key Service Providers	GRES has appointed a number of key service providers, including Munro as the Investment Manager, that are involved in the ongoing operation and administration of the Fund.	Section 3, 9
	Morgan Stanley & Co International plc (Morgan Stanley) and UBS AG, Australia Branch (UBS) have been appointed as Prime Brokers (together, the Prime Brokers).	
	Morgan Stanley and UBS are the clearing members providing derivative clearing and settlement facilities for the Fund. GRES reserves the right to appoint other or additional clearers from time to time.	
	Morgan Stanley, UBS Nominees Pty Ltd (UBS Nominees), and JPMorgan Chase Bank NA (Sydney Branch) (JPMorgan) provide custodial services for the Fund's assets.	
	JPMorgan also provides administration services for the Fund.	
	Apex Fund Services Pty Ltd (Apex Fund Services) provides unit registry services for the Fund.	

Disclosure Principle 4 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. Assets and liabilities of the Fund are generally valued at their market value in accordance with the Fund's constitution.	Section 1, 3, 5
	The fund invests primarily in listed international equities, and also invests in both exchange traded and over-the-counter (OTC) derivative positions. The assets of the Fund are denominated in a variety of foreign currencies.	
	The Fund's assets are held in custody overseas by the Custodians or their appointed sub-custodians.	
	Derivative contracts (and associated collateral and margins paid) are held by the Prime Brokers, Clearers and other counterparties based overseas.	
	FX contracts are held by the Prime Brokers.	

Disclosure Principle 5 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 Net Asset Value (NAV), within 10 days.	Section 3
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Disclosure Principle 6 - Leverage

Leverage	The Fund does not borrow to leverage. However, the Fund may be leveraged through the use of derivatives and short selling. Leveraging through securities lending is permitted and will be deployed in accordance with the Fund's investment strategy.	Section 3, 5
	Munro does not use leverage to increase the net invested position of the Fund greater than the Gross Exposure Limit.	
	The maximum Gross Exposure Limit set for the Fund taking into account leverage is 200% of the NAV of the Fund, however is typically between 50%-150%.	

Fund feature	Summary	Where to find more information
Disclosure Principle 7 - Derivatives		
	The Fund may use derivatives as part of its investment strategy where the Investment Manager has identified opportunities that maximise returns (investment purposes) or as a hedging tool when potential negative returns are identified.	
Use of derivatives	The types of derivatives the Fund may use include OTC derivatives, with International Swaps and Derivatives Association Inc. (ISDA) counterparties, and exchange traded derivatives. Typically, OTC transactions are swaps or contracts for difference on listed equities and foreign currency futures. The types of exchange traded derivatives used are predominantly: equity options; futures contracts and options.	Section 3, 5
Disclosure Principle 8 - Short selling		
Use of short selling	Short selling is undertaken as part of the investment strategy to benefit from falling securities prices, and is also used as a portfolio hedging tool. Short positions are subject to a more prudent risk taking approach with smaller position sizing and more frequent profit taking. The Fund engages in short selling by borrowing securities from a Prime Broker and providing collateral to a Prime Broker.	Section 3, 5
Disclosure Principle 9 Withdrawals		
Withdrawing from the Fund	Withdrawal requests are processed each business day and will usually be paid within five business days. However, there may be circumstances where withdrawals are suspended or delayed, for example if the Fund becomes illiquid. Indirect investors will need to contact their IDPS operator regarding withdrawals from the Fund.	Section 7
Distributions	Generally annually. However, there may be periods when no distributions are made.	Section 7
Changes		
	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.	
Changes to Fund details	We will inform investors of any material change to the Fund's details in their 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 gsfm.com.au . A copy of any updates may be provided on request.	

Fund feature	Summary	Where to find more information
Product features		
Management fee ^{1,2}	1.35% p.a. of the NAV of the Ordinary units of the Fund.	Section 6
Performance fee ^{1,2}	A Performance fee of 10.00% of the increase in the NAV during each Performance Fee Period (the six months to 30 June and 31 December each year), subject to exceeding a High Watermark and Hurdle Rate, calculated daily and paid half yearly. The Hurdle Rate is the higher of 6% p.a. or the Australian Government 10-year bond yield + 3.5% p.a.	Section 6
Buy/sell spread	Buy +0.15%/sell +0.15%	Section 6
Minimum initial investment	\$10,000	Section 7
Minimum additional investment	\$5,000	Section 7
Minimum balance	\$5,000	Section 7
Minimum withdrawal	\$5,000, or your investment balance if it is less than \$5,000	Section 7
Applications and withdrawals	Daily	Section 7
Payment of proceeds of withdrawals	Generally within 5 business days	Section 7
Distributions	Generally annually. However, there may be periods when no distributions are made.	Section 7
Reporting		
Monthly and quarterly Fund updates	Monthly and quarterly Fund updates are available at gsfm.com.au	
Regular reporting	Confirmation of all applications and withdrawals Monthly statements	
Unit pricing	Unit Prices are generally calculated each business day and are available at gsfm.com.au	
Annual Fund reporting	Annual financial report for the Fund ³ Annual investment statement	

1. Please refer to Section 5 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. A paper copy will be provided on request.

1 DISCLOSURE BENCHMARKS

Benchmark 1: Valuation of assets

This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.

The Fund predominantly invests in exchange traded assets, and as such, the valuation of the Fund's assets is typically the listed market price of the asset. This means that exchange traded pricing sources may be utilised for valuation purposes in all but very limited circumstances.

Non-exchange traded assets

GRES adheres to the benchmark by having independent valuation service providers for the Fund's non-exchange traded instruments such as OTC derivatives, cash and cash instruments. These are valued using market data sourced from independent third-party valuation providers.

JPMorgan, the Fund's administrator, has various pricing and valuation policies and procedures which are reviewed by GRES periodically. These are consistent with industry standards and result in valuation and unit price calculations being independently verifiable.

In accordance with their documented procedures and policies JPMorgan determine the valuation for each asset each day. The non-exchange traded investments of the Fund are valued using market data sourced electronically from independent third-party vendors unless JPMorgan is able to obtain an appropriate valuation from an independently verifiable source, in accordance with industry standards.

Exchange traded assets

JPMorgan values the exchange traded securities at their market value; which are the prices provided by the relevant market exchange on which the Fund's assets are bought and sold.

JPMorgan uses the valuations described above for non-exchange traded assets and exchange traded assets when it calculates the total market value of the Fund's assets and the Fund's unit prices each day. Where instruments are quoted in foreign currencies, the price is converted to Australian dollars using the exchange rate as at the close of business in London. All unit prices are reviewed for reasonableness by GRES.

Benchmark 2: Periodic reporting

This benchmark addresses whether we provide periodic disclosure of certain key information on an annual or monthly basis.

GRES adheres to this benchmark as it has and implements a policy to provide investors with regular reporting on key Fund information which can be accessed at gsfm.com.au.

This includes:

- NAV per unit for each business day posted on the Fund's unit prices 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; and
- Monthly net (after fees) returns for the Fund can be found on the Fund's performance page respectively.

Monthly updates

The monthly updates for the Fund provide an overview of the Fund's performance and the investment activities of the Fund over the previous month and are available at gsfm.com.au or by contacting Client Services.

The monthly update for the Fund provides:

- Current total NAV and NAV per unit of the Fund and the redemption value of a unit in the Fund as at the date the NAV was calculated;
- Current funds under management;
- Changes to key service providers (if any) including any change in their related party status;
- Net return on the Fund's assets (after fees, costs and taxes);
- Material changes to the Fund's investment strategy (if any);
- Material changes to the Fund's risk profile (if any); and
- Changes to the individuals playing a key role in the investment decisions for the Fund (if any).

Annual reporting

The following information is provided on an annual basis:

- The actual allocation to each asset type in the Fund;
- Monthly or annual investment returns since inception for the Fund;
- Liquidity profile of the Fund's assets;
- Maturity profile of the Fund's liabilities (if applicable);
- The Fund's leverage ratio (if applicable);
- The derivative counterparties engaged by the Fund; and
- Changes to key service providers of the Fund during the year.

We may provide this information more frequently where it is considered a material change to the Fund. We will make this information available at gsfm.com.au. You may also request a copy of these changes at any time by contacting Client Services.

2 ABOUT GSFM RESPONSIBLE ENTITY SERVICES AND THE INVESTMENT MANAGER

The Responsible Entity

GSFM Responsible Entity Services Limited (**GRES, Responsible Entity, we, us, our**) is the Responsible Entity for the Munro Global Growth Fund (**Fund**).

The responsibilities and obligations of the Fund's Responsible Entity are governed by the constitution of the Fund (**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 (**Munro or Investment Manager**) as the Investment Manager of the Fund. Munro is an authorised representative (number 1244894) of Munro Asset Management Limited ABN 28 163 522 254, AFSL 480509.

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

Munro focuses on generating absolute returns and seeks to generate meaningful, risk adjusted, absolute returns over the medium to long term, while maintaining a capital preservation mindset.

For more information on the investment management agreement please refer to **Material contracts** in Section 9 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 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
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

The investment team are responsible for the implementation of the strategy of the Fund and primarily spend their time on investment activities applicable to the investment strategy.

At the date of this PDS there has been no adverse regulatory finding against the Investment Manager or individuals in the investment team.

More information on the Munro team can be located at munropartners.com.au.

3 ABOUT THE FUND

Fund structure

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. The Fund pools the money invested to buy assets on behalf of all the investors in the Fund.

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.

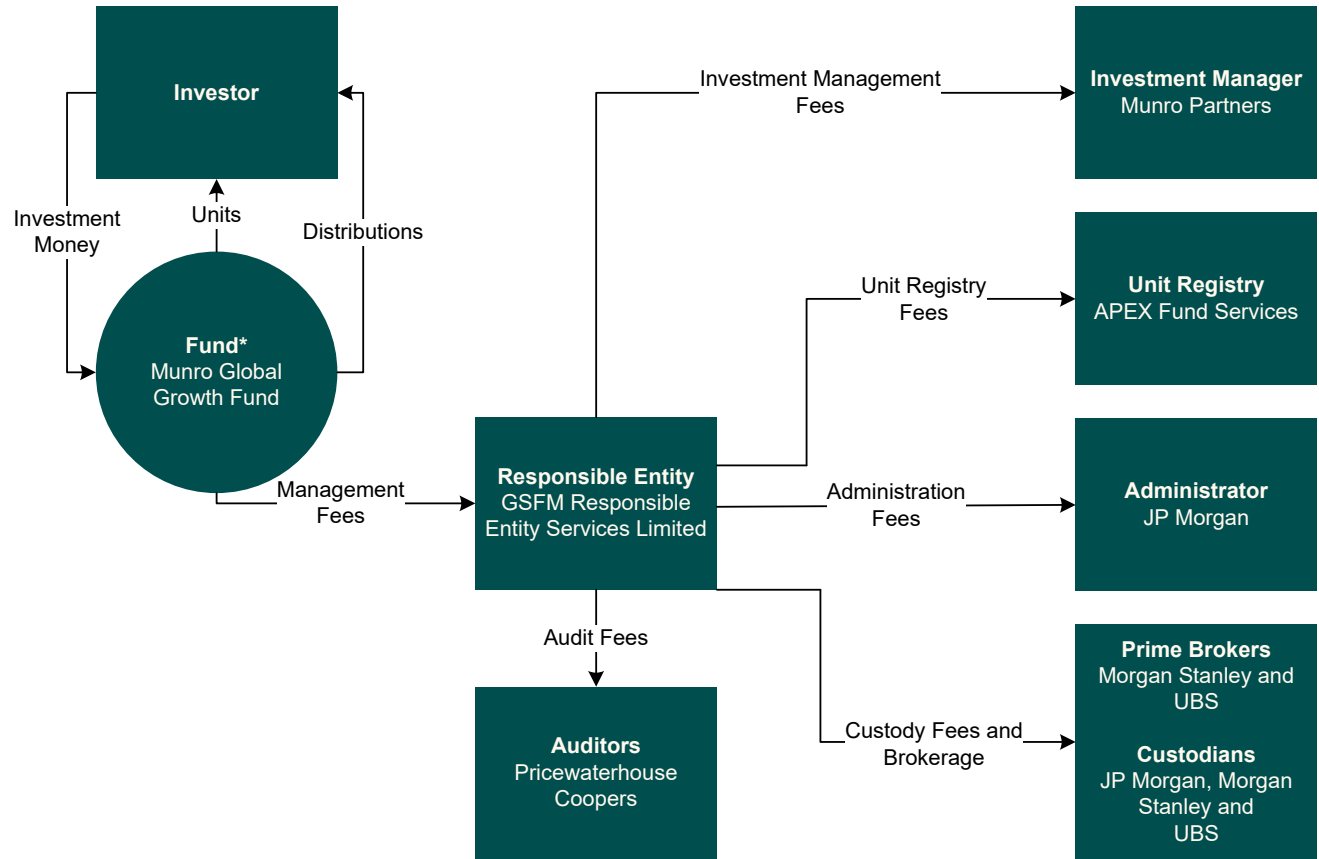
Investment structure

The following diagram shows the Fund's structure and the flow of investment money through the structure.

All the entities shown in the Fund structure diagram below, with the exception of Morgan Stanley & Co International plc, are domiciled in Australia and subject to the jurisdiction of ASIC and Australian law. Morgan Stanley is domiciled in the UK and is regulated by the UK Financial Conduct Authority.

With the exception of the Investment Manager, there are no related party relationships between the Responsible Entity and its key service providers. For further information please refer to **Related party transactions and conflicts of interest** in Section 10.

For further information on the service providers of the Fund please refer to **Service providers** later in this section.



**Fund assets are held by the Custodians*



Investment objective

The objective of the Fund is to provide investors with meaningful, risk adjusted, absolute returns through exposure to global growth equities over the medium to long term, while maintaining a capital preservation mindset.

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:

1. **Earnings growth drives stock prices**
Companies that consistently earn more than the year before are generally rewarded with higher stock prices over time.
2. **Sustained earnings growth is worth more than cyclical earnings growth**
Consistent growth, independent of cyclical factors and above the peer group, is generally valued at higher multiples than otherwise.
3. **The market will often misprice growth and its sustainability**
Consensus earnings estimates often underestimate growth, while pegging to market multiples will often underestimate the sustainability and cash generation capacity of that growth, allowing opportunities to invest in stocks well below their intrinsic value.

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

For further information on Munro and its team, please visit munropartners.com.au.

Investment strategy and how the Fund is managed

Investment strategy

The Fund's investment strategy is to invest in a portfolio of up to 60 investments from around the world. Munro focuses on identifying and investing in global companies that have the potential to grow at a faster rate and a more sustainable basis than the overall market.

The Fund invests in listed global equities, exchange traded derivatives, over-the-counter derivatives, cash and cash equivalents, with the aim of generating meaningful, risk adjusted, absolute returns to investors over the medium to long term while maintaining a capital preservation mindset.

Munro has adopted the following guidelines in managing the Fund:

- Total number of securities in the portfolio is between 30 and 60
- Position size: maximum 10% of Net Asset Value (NAV) at cost for long positions, maximum 5% of NAV at cost for short positions
- Equity related securities: 0% to 100% of NAV, refer to the table in **The types of assets in which the Fund may invest** for further details
- Cash or cash equivalents: 0% to 100% of NAV
- Maximum Gross Exposure Limit is 200% of the NAV of the Fund

There are minimal regional, market capitalisation or sector constraints and no allocation limits in respect of the location, class or currency of assets of the Fund. Up to 10% of the Fund's assets may be invested in IPO Securities. The Fund may make other investments as permitted by the Fund's Constitution.

Risk management and capital preservation are integral parts of Munro's investment philosophy and portfolio management. The portfolio is managed within clear risk parameters:

- Stop loss: Individual stock stop loss review at 20% drawdown for long positions, and 10% for short positions; and
- Gross exposure: Review at 3% drawdown. Net exposure review at 5% drawdown; and
- Currency: Managed dynamically for base currency benefit, with a bias to hedge back to base currency.

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

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 underappreciated and mispriced by the market, and the resulting winning and losing 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.

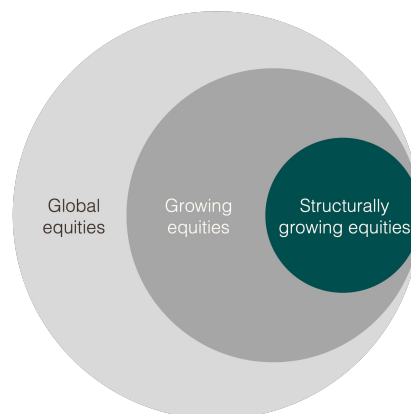
Munro is a stock picker

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.

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.

Step 1: Idea generation

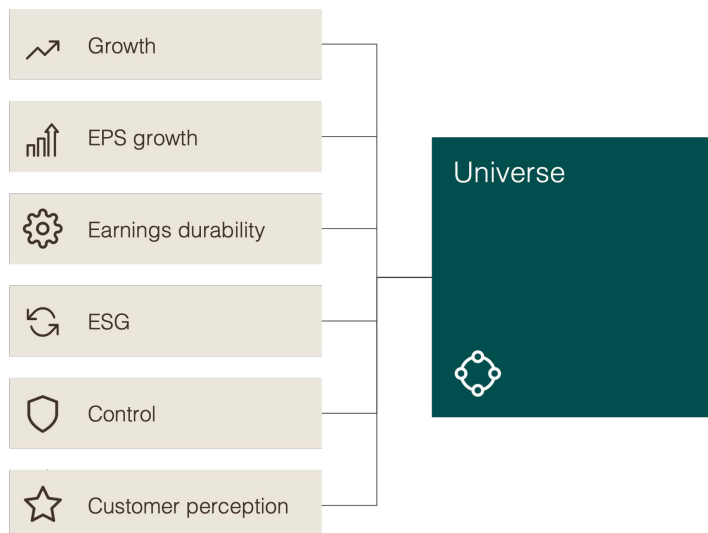


Ideas are generated from a combination of top-down thematic and bottom-up views.

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



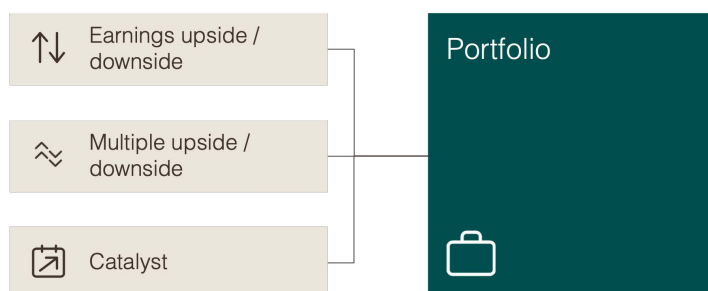
Once identified, key investment ideas must pass through six qualitative tests to be included in the universe of structurally growing equities.

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;
- **Environmental, Social and Governance (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



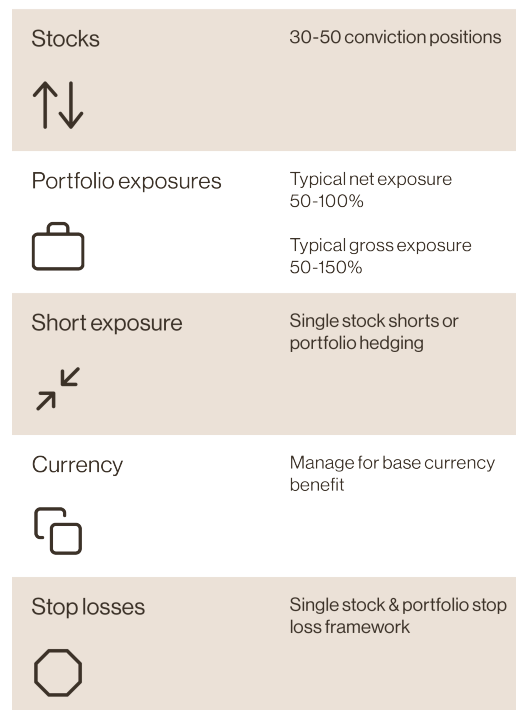
- **Earnings upside/downside:** build in-house valuation model with bull and bear case scenarios to assess Munro's earnings assumptions versus consensus assumptions;
- **Multiple upside/downside:** evaluate a corporate characteristics score to determine the appropriate earnings multiple and subsequent 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.



Key assumptions underpinning the investment strategy

The following assumptions underpin the investment strategy's ability to produce investment returns.

The investment strategy is designed to produce absolute returns that are based on the Investment Manager's investment selection skills in establishing long positions in companies with unrecognised potential and short positions in poorly positioned or overvalued companies. Investment weightings may vary considerably from global equity indices.

The Fund will tend to post positive returns when the long positions increase in value and when the short positions decrease in value. Conversely, the Fund will tend to post negative returns when the short positions increase in value and the long positions decrease in value. Investors should evaluate the skills, expertise and experience of the Investment Manager accordingly.

In addition, not particular to the Fund, the Fund's returns will be influenced by market conditions and specific market risks.

The risks associated with this investment strategy, the Fund's structure and investing in the Fund and how these risks are managed are discussed later in this section in **Risk management and monitoring** and in **Risks of investing in the Fund** in Section 5.

You should ensure that you understand the investment terms used in this section before you invest in the Fund. Please refer to **Important investment terms explained** at the back of this PDS.

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.

The types of assets in which the Fund may invest

The Fund generally invests in listed global equities, cash equivalent instruments, and OTC and exchange traded derivatives. There are no allocation limits in respect of the location, class or currency of assets and a small portion of the Fund's assets may be invested in IPO Securities.

Asset types by asset class	Allocation range	
	Min	Max
Listed global equities (including Exchange Traded Funds (ETFs))	0%	100%
Exchange traded derivatives* (including equity options and futures)	0%	100%
Over-the-counter (OTC) derivatives (including swaps, equity basket swaps, contracts for difference on listed equities and foreign currency futures)	0%	100%
Cash (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%	100%
*Derivatives allocation range is the notional value of derivatives. The aggregate exposure to all OTC derivative counterparties will not exceed 10% of the NAV of the Fund.		

Currency management

The Fund is denominated in Australian dollars. The assets of the 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 Fund.

Munro actively manages the Fund's currency exposure. While the hedging level is adjusted to between 0% to 100%, the Fund's neutral position is to have its net exposure 50% hedged back into Australian Dollars through a combination of cash or spot foreign exchange trades and foreign currency derivatives.

Borrowing

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

Munro executes its short selling investment strategy for the Fund by borrowing a security from another party with the belief that the security will decrease in monetary value and be subsequently repurchased in the market to repay the lender at a profit.

Use of derivatives

Derivatives are instruments whose value is derived from the value of an underlying asset and include futures, options and swaps.

Investments in derivatives are utilised where Munro has identified appropriate opportunities that will either maximise returns (i.e. for

investment purposes) or mitigate negative returns identified (i.e. for hedging purposes).

The Fund may enter OTC positions with International Swaps and Derivatives Association Inc. (ISDA) counterparties. Typically, OTC transactions are swaps, equity basket swaps, or contracts for difference on listed equities and foreign currency positions. Generally, the Prime Brokers are the only derivative counterparties used by the Fund.

However, the Investment Manager may choose to enter into derivative transactions with other counterparties where it is appropriate. GRES will monitor and manage the counterparty risk associated with these transactions.

The Fund also invests in exchange traded derivatives contracts. Derivatives exchanges create a visible and transparent marketplace for buying and selling exchange traded derivatives. The exchange traded contracts used by the Fund are standardised and subject to the rules and regulations of the exchange and regulatory authorities in the relevant jurisdictions where the Fund buys assets. The types of exchange traded derivatives used are predominantly equity options, futures contracts and options. These are used for hedging against losses on specific positions or, against the overall portfolio, alpha generation and managing foreign currency risk.

Where applicable, we will provide relevant information with respect to derivatives in the monthly updates.

Morgan Stanley and UBS are the clearing members providing derivative clearing and settlement facilities for the Fund. UBS is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959 (Cth) and is supervised by the Australian Prudential Regulation Authority.

Only clearing houses with international capability and strong global reputations are appointed to clear the Fund's exchange traded futures and swaps and options transactions.

The Fund may only enter into and execute derivative trades with counterparties which maintain at a minimum an issuer credit rating of at least A- (S&P) or as otherwise approved by the Responsible Entity.

Please refer to **Derivatives risk**, **Collateral risk** and **Counterparty default risk** in Section 5 **Risks of investing in the Fund** for more details on the risks associated with the use of derivatives.

Short selling

The Fund engages in short selling by selling securities that the Fund does not currently own, but which it borrows from a Prime Broker and in respect of which it provides collateral to a Prime Broker. Short selling is undertaken as part of the investment strategy to benefit from falling securities prices and may be used as an exposure hedging tool. Short positions are subject to a more prudent risk taking approach with smaller position sizing and more frequent profit-taking.

Where applicable, Munro will provide relevant information with respect to shorting in its monthly updates, which will be available at gsfm.com.au.

Please refer to **Short selling risk**, **Collateral risk** and **Counterparty default risk** in Section 5 **Risks of investing in the Fund** for more details on the risks associated with short selling.

Leverage

Leverage is defined as where a fund's exposure to the underlying assets is greater than the capital invested in those underlying assets. Leverage can be created through borrowing, or through the use of derivative instruments which can result in economic leverage such that the notional or effective exposure of a fund to these assets exceeds the net asset value of the fund.

The Fund does not borrow to leverage. However, the Fund may be leveraged through the use of derivatives and short selling. Munro does not use leverage to increase the net invested position of the Fund greater than the Gross Exposure Limit. The maximum Gross Exposure Limit set for the Fund taking into account leverage is 200% of the NAV of the Fund.

For example, for every \$1 of the Fund's NAV, the gross invested position of the Fund is limited to \$2.

Compared with a fund that has no leverage and assuming a scenario where the Gross Exposure Limit has reached its maximum of 200% of NAV:

- A 10% increase in the return on assets of the Fund would result in a 20% increase in the NAV. For an investment of \$50,000 in the Fund this would mean the investment would increase by \$10,000 (being \$50,000 x 20%).
- Conversely, a 10% decrease in the return on asset of the Fund would result in a 20% decrease in the NAV. For an investment of \$50,000 in the Fund this would mean the investment would decrease by \$10,000 (being \$50,000 x 20%).

This example has been provided for reference purposes only. Any assumptions underlying these examples are hypothetical only.

Although the Fund has the capacity to increase exposure to 200% of the NAV of the Fund, typically the Fund will operate in the 50%-150% gross exposure range.

Where applicable, we will provide relevant information with respect to leverage in the Monthly Updates.

Please refer to **Derivatives risk**, **Leverage risk** and **Short selling risk** in Section 5 **Risks of investing in the Fund** for more details on the risks associated with the use of derivatives, leverage and short selling.

When the Fund employs leverage through either derivative exposure or short selling a Prime Broker may require assets of the Fund such as equity and/or cash to be deposited as collateral.

Please refer to **Collateral risk** and **Counterparty risk** in Section 5 **Risks of investing in the Fund**.

Risk management and monitoring

Risk management and capital preservation are integral parts of Munro's investment philosophy and portfolio management. In addition, the portfolio of the Fund is managed within clear risk parameters and formal internal reviews of positions and exposures are undertaken at pre-determined drawdowns. Munro invests the Fund's assets consistent with the following portfolio guidelines as part of its overall risk management process:

- Maximum number of securities: 60;
- Gross Exposure: maximum 200%, typically 50-150%;
- Short Exposure: maximum 100%, typically 0-50%;
- Net Exposure: maximum 100%, typically 50-100%;
- Regional limits: nil;
- Sector limits: nil;
- Long single stock limit: 10% of NAV at cost;
- Short single stock limit: 5% of NAV at cost; and
- Cash: if no suitable investments can be found or short term market risks are high the Investment Manager can raise the cash weightings of the Fund to 100%.

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 ESG considerations into account when selecting, retaining or realising investments of the Fund.

Every long 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 1-5 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.¹

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, we may temporarily assign an ESG score after considering a third-party research provider's ESG score as a substitute for the framework above. We aim to have no more than 10% of long portfolio holdings in this position at any time.

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.

Munro will not knowingly invest in individual companies that:

- undertake tobacco manufacturing, including only companies involved directly in the production of tobacco products, including alternative smoking products; or
- are directly involved in the manufacturing of anti-personnel mines and cluster munitions.

In addition, Munro will not invest in 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.

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.

The exclusions apply only to long positions in individual companies. They do not apply to exposure via short positions or derivative positions. Exposure to screened out investment may however be obtained indirectly through exposure to ETFs or derivatives which are 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. 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.

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.

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.

Location and custody of assets

The Fund's assets are held in custody in Australia and overseas by JPMorgan, UBS Nominees, and Morgan Stanley (or their appointed sub-custodians). The Fund's assets and their location are always separately identified in the books and records of the custodians.

As is standard practice for global investment dealings a Custodian may appoint sub-custodians to hold assets for the Fund in their relevant jurisdiction. Assets held in their local jurisdiction may be registered in the name of the Custodian or sub-custodian, due to the nature of the law or market practice in the relevant jurisdiction, if it is not feasible to do otherwise. These assets and any cash held by the Custodian will not be segregated from the Custodian's own assets and so may not be well protected. Please refer to Custody risk in Section 5 **Risks of investing in the Fund**.

The custody arrangements are based on enforceable written contracts that set out the obligations of the Custodian (and its liability in the event of a breach), including but not limited to details of how instructions are given, how records are to be kept and notification and reporting requirements.

Collateral for OTC derivatives positions may be held directly by the derivatives counterparty and may not be segregated from the derivative counterparty's own assets. As such, in the event of the derivative counterparty's insolvency, the Fund may not be able to recover its collateral in full. Please refer to **Collateral risk** and **Counterparty default risk** in Section 5 **Risks of investing in the Fund**.

For further information on the Prime Brokers and Custodians please refer to **Service providers** later in this section and Section 9 **Material contracts** of this PDS.

Liquidity

The Fund primarily invests in listed securities, exchange traded derivatives, over-the-counter derivatives and cash. 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. Where applicable, we will provide relevant information with respect to liquidity in the Monthly Updates for the Fund.

Please refer to **Liquidity risk** in Section 5 **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 Fund. Please refer to **Investment Manager** in Section 2 **About GSFM Responsible Entity Services and the Investment Manager** for more details on the investment manager.

Prime Brokers

GRES has appointed the following Prime Brokers to provide brokerage services to the Fund:

- Morgan Stanley, a member of the Morgan Stanley Group of companies, for itself and as agent for certain other members of the Morgan Stanley Group of companies (**Morgan Stanley Companies**); and
- UBS AG, Australia Branch, for itself and as agent for certain other members of the UBS group (**UBS Companies**).

The services provided by the Prime Brokers may include the provision to the Fund of margin financing, clearing, settlement, and stock borrowing and foreign exchange facilities. The Fund may also utilise other Morgan Stanley Companies, UBS Companies and other brokers and dealers for the purposes of executing transactions for the Fund.

For more information on Morgan Stanley, UBS AG, Australia Branch and the Prime Brokerage Agreements refer to Section 9 **Material contracts** of this PDS.

Custodian, administrator and registrar

We have appointed JPMorgan Chase Bank NA (Sydney Branch) (ABN 43 074 112 011) (**JPMorgan**) to provide 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 the PDS or caused or otherwise authorised the issue of the PDS. JPMorgan has not independently verified the information contained in the 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.

We have appointed Apex Fund Services to provide unit registry services for the Fund.

GRES has appointed JPMorgan to hold the assets of the Fund in its capacity as joint Custodian. Morgan Stanley and UBS also provide custody services for the Fund's investments. Each of JPMorgan, Morgan Stanley and UBS may appoint sub-custodians from time to time. We may remove JPMorgan, Morgan Stanley and UBS as Custodians of the Fund and appoint other custodians in their place at any time without notice to investors.

There are Service Level Agreements (**SLA**) in place with Morgan Stanley & Co International, UBS, JPMorgan and Apex Fund Services which clearly delineate the responsibilities of all parties.

We can terminate these appointments as in the circumstances specified under the respective agreements governing these relationships.

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.

Brokers Clearing

We have appointed Morgan Stanley and UBS to provide options clearing and settlement facilities for the Fund. We may appoint other or additional clearers from time to time. For more information, please refer to **Use of derivatives** in Section 3 of this PDS.

Derivatives Counterparties

The Fund may only enter and execute derivative trades with counterparties, which maintain at a minimum an issuer credit rating of at least A- (S&P) or as otherwise approved by the Responsible Entity.

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.

4 BENEFITS OF INVESTING IN THE FUND

The Fund invests in a global portfolio of high conviction listed equities, with the aim of generating meaningful, risk adjusted absolute returns to investors over the medium to long term while maintaining a capital preservation mindset. The Fund generally invests in listed, liquid global equities with no regional, market capitalisation or industry sector constraints. The Fund can hold a maximum of 60 equity positions. Short selling, leveraging and derivatives are all utilised where appropriate opportunities are identified that either maximise returns (i.e. for investment purposes) or mitigate negative returns identified (i.e. for hedging purposes).

Benefits of investing in the Fund include:

Access to investment opportunities: With thousands of global listed companies, many are misunderstood or overlooked by investors, Munro, via its investment management team and investment process, aims to seek out and invest in some of the most innovative and fastest growing companies in the world today.

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 only manages global equities funds. The flexible investment mandate allows the Fund to hold more cash when warranted, such as when no suitable investments can be found or short-term market risks are high, and also allows Munro to dynamically hedge currency exposure. The Fund can actively manage risk, managing its market and currency exposure with the aim of protecting clients' capital and enhancing the potential long term returns of its investments.

5 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 provide investors with meaningful, risk adjusted, absolute returns over the medium to long term while maintaining a capital preservation mindset, 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 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 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:

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

Collateral risk – The Fund enters into derivatives arrangements that require it to deliver collateral to the derivative counterparty or clearer. The Prime Broker may also use this collateral for its own purposes, including securities lending, for which neither GSFM nor Munro receives any fees. As such, the Fund may be exposed to certain risks in respect of that collateral. The Fund:

- is required to post initial margin/collateral to the derivative counterparty or clearer in the form of cash or securities. The Fund needs to have sufficient liquid assets to satisfy this obligation;
- may from time to time, if the value of the derivative arrangements moves against it, be required to post variation margin/collateral with the derivatives counterparty or clearer on an ongoing basis. The Fund needs to have sufficient liquid assets to satisfy such calls, and in the event it fails to do so, the counterparty may have a right to terminate such derivatives arrangements; and
- may be subject to credit risk should a derivatives counterparty or clearer become insolvent while holding the Fund's margin or collateral. The Fund will be an unsecured creditor and rank behind preferred creditors.

Provision of collateral may not always prevent investors from incurring losses.

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 holds a concentrated portfolio of up to 60 securities (including both long and short positions) 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 global equity indices.

Counterparty risk – Counterparty risk is the risk of loss due to a counterparty to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) failing to perform its contractual obligations either in whole or in part. The Investment Manager maintains a list of the approved counterparties which is modified as needed on an ongoing basis based on changes in the credit worthiness of current approved counterparties. To diversify risk, counterparty exposure is distributed among several counterparties.

Counterparty default risk – This is also sometimes referred to as 'credit risk'. It is the risk that entities upon which the Fund's investments depend may default on their obligations, for instance by failing to make a payment when due. Such parties can include the Prime Brokers, Custodians, brokers (including clearing brokers), foreign exchange counterparties, derivative counterparties and deposit taking banks. Default on the part of an issuer or counterparty could result in a financial loss to the Fund.

Risks from the Prime Brokers arise because under the terms of the prime broker agreements (PBAs), assets of the Fund such as investments or cash may be transferred to the Prime Brokers or their affiliates as margin to secure liabilities owed to it by the Fund arising from the use of derivatives or the borrowing of securities. As is typical for most prime broker agreements, the Prime Brokers may deal with the assets of the Fund for their own purposes as though the assets of the Fund were their own assets. If there is a termination or close-out of the PBA the obligation of the Prime Brokers to return equivalent assets is replaced by an obligation to return the cash value of such assets under the terms of the PBA, and the Fund will rank as an unsecured creditor of the Prime Brokers. As such, there is a risk that the Fund may not be able to recover such equivalent assets in full in the event of the insolvency of the Prime Brokers.

The Responsible Entity will manage these risks as far as is practicable by dealing with counterparties with strong global reputations, which maintain at a minimum an issuer credit rating of at least A- (S&P) or as otherwise approved by the Responsible Entity, ensuring enforceable legal agreements are in place and by monitoring these counterparties.

Currency risk – The Fund predominantly invests in international equities, and as such, adverse movements in exchange rates to the Australian dollar does affect the value of capital and income of the Fund. The Investment Manager seeks to manage the Fund's currency exposure through a combination of cash or spot foreign exchange trades and foreign currency derivatives. However, there is a risk that the Investment Manager either chooses not to hedge its currency risk or does not implement a currency hedge effectively, thereby exposing the Fund to a greater degree of currency risk than intended. Currency markets are highly volatile and adverse movements in an exchange rate against the Fund could lead to the Fund suffering losses, where the Investment Manager does not implement an adequate currency hedge.

Custody risk – The Fund's investments may be registered in the name of the Prime Broker or a third party in their local jurisdiction. As a consequence the investments may not be segregated from the Prime Broker's or the third party's own investments and in the event of their default may not be as well protected.

The Responsible Entity manages these risks as far as is practicable by dealing with counterparties with strong global reputations, which maintain at a minimum an issuer credit rating of at least A- (S&P) or as otherwise approved by the Responsible Entity, ensuring enforceable legal agreements are in place and by monitoring these counterparties.

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.

Derivative risk – The Fund trades in derivatives. Investments in derivatives may cause losses associated with changes in market conditions, such as fluctuation in interest rates, equity prices or exchange rates, and changes in the value of a derivative may not correlate perfectly with the underlying asset. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Fund to lose more than the amount of assets initially contributed to the transaction. As OTC derivatives are customised instruments, the Fund may be unable to liquidate the derivative contract at a fair market price within a reasonable timeframe.

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

- adhering to the risk constraints of the Fund particularly in regard to maximum gross and net exposures;
- regularly monitoring the derivative positions of the Fund;
- monitoring and ensuring that the Fund can pay all of the obligations associated with derivatives from the appropriate amount of cash or physical assets held by the Fund; and
- using clearers, intermediaries or counterparties the Investment Manager considers reputable.

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 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 Fund'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.

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 the Fund's 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.

Leverage risk – Certain transactions may give rise to a form of leverage. In

particular, the Fund uses derivatives and many derivatives have a leverage component. In addition, leverage may also be incorporated through the use of short selling and/or currency hedging. While leverage creates an opportunity for greater total returns for the Fund, it may also magnify losses. In addition, there is a risk that the leveraged positions will tend to be more volatile, and thus the Fund may experience greater volatility than investments in a comparable portfolio without leverage. Munro intends to limit this risk by strict adherence to its investment process and risk management practices.

Liquidity risk – Liquidity risk is the risk that:

- it may be difficult to realise within a reasonable time-frame the full value of particular securities in which the Fund is invested because of market conditions or liquidity issues with respect to the specific securities; or
- the Fund itself may become illiquid. This could have a detrimental effect on the value of the investments, or may impact an investor's ability to withdraw from the Fund.

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.

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.

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

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 Fund 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.

6 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) has a managed funds fee calculator to help you check out different fee options.

The managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

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.

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

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.

Taxes are set out in Section 8 **How managed investment schemes are taxed** of this document.

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

Fees and costs summary

Munro Global Growth Fund - Ordinary units

Type of fee or cost*	Amount	How and when paid
Ongoing annual fees and costs†		
Management fees and costs The fees and costs for managing your investment††	Estimated to be 1.39% p.a. of the NAV of the Fund, comprised of: 1. A management fee of 1.35% p.a. of the NAV of the Fund‡; plus 2. Estimated indirect costs of 0.04% p.a. of the NAV of the Fund; plus 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 Ordinary 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 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.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 1.15% p.a. of the NAV of the Fund^	The Performance Fee is calculated as 10.00% of the amount by which the NAV per unit increases, subject to exceeding Hurdle Rate and High Watermark. The estimated Performance Fee is only payable if the NAV per Unit exceeds both the High Watermark and Hurdle Rate. The Performance Fee is calculated each business day and accrued daily in the NAV per unit and paid to the Responsible Entity bi-annually within 30 days of 31 December and 30 June in arrears from the assets of the Fund.^
Transaction costs‡ The costs incurred by the scheme when buying or selling assets	Estimated transaction costs of 0.39% p.a. of the NAV of the Fund#	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.

Type of fee or cost*	Amount	How and when paid
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)†		
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
Buy/sell spread‡ An amount deducted from your investment representing costs incurred in transactions by the scheme	0.15% of the NAV per unit when there is an application for or a withdrawal of units in the Fund§	Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.15% is charged on each application and a sell spread of 0.15% is charged on each withdrawal. The buy/sell spread is reflected in the buy price and sell price respectively for units in the Fund and is not separately charged to the investor.
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
Switching fee The fee for changing investment options	Nil	Not applicable

- * 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.
- † 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.
- ‡ 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 below for more information on fees and costs that may be payable.
- ^ The Performance Fee reflects the Responsible Entity's reasonable estimate at the date of this PDS of the Performance Fee that will apply for the current financial year and has been calculated as the 5-year average Performance Fee for the Fund. Past performance is not a reliable indicator of future performance. The Performance Fee is only payable if the net return of the Ordinary units exceeds both the High Watermark and Hurdle Rate. 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 below for a dollar worked example.
- # 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 buy/sell spread charged to transacting investors. Please refer to the **Additional explanation of fees and costs** section below for further details.
- § In estimating the buy/sell spread, the Responsible Entity has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. The Responsible Entity may vary the buy/sell spreads from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website. Please refer to the **Additional explanation of fees and costs** section for further details.

All fees and costs disclosed in this PDS are shown inclusive of any applicable Goods and Services Tax (GST) less any entitlement to a reduced input tax credit (RITC) available to the Fund, unless stated otherwise.

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 this product with other products offered by managed investment schemes.

Example: Munro Global Growth Fund – Ordinary units		Balance of \$50,000 with a contribution of \$5,000 during year*
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs ^{†^§}	1.39% 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 \$695 each year
PLUS Performance fees ^{^#}	1.15% p.a. of NAV of the Fund	And , you will be charged or have deducted from your investment \$575 in performance fees each year
PLUS Transaction costs ^{†^}	0.39% p.a. of the NAV of the Fund	And , you will be charged or have deducted from your investment \$195 in transaction costs
EQUALS Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$1,465^{†^}
What it costs you will depend on the fees you negotiate.		

- * 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 investor's 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.
- † Additional fees and costs may apply. Please refer to the **Additional explanation of fees and costs** for further details.
- ‡ 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 any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to the **Additional explanation of fees and costs** section for more information on fees and costs that may be payable.
- ^ 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.
- § 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.
- # The estimate has been calculated based on the 5 year average Performance Fee for the Fund. The Performance Fee is only payable if the Accrued Performance Fee exceeds both the High Watermark and the Hurdle Rate. 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 below for a dollar worked example and for further information about the Performance Fee Calculation Period, Hurdle Rate, and High Watermark.

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

Additional explanation of fees and costs

Management 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. Management fees and costs are payable from the Fund's assets and are not paid directly from your account.

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.

Management fee

The management fee for the Fund is 1.35% per annum of the NAV of the units of the Fund. The management fee is calculated and accrued daily in the unit price of the units in the Fund and is paid monthly in arrears.

From the management fee we pay all investment management fees (including the fees of the Investment Manager), all normal operating expenses of the Fund including custody fees, audit fees, accounting fees, legal and regulatory fees and all other normal costs except abnormal costs (as described later in this section) and 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.

Indirect costs

The indirect costs include (a) the indirect costs that we know or ought to know for the previous financial year and (b) where we do not know or ought to know the indirect costs, a reasonable estimate of those indirect costs based on the information available to us as at the date of the PDS.

The management costs set out in the table on the previous page include indirect costs of 0.04% p.a. of the NAV, which is the Responsible Entity's reasonable estimate at the date of this PDS of those costs 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) in connection with management of the Fund including but not limited to those resulting from abnormal circumstances (such as a change of the responsible entity or investment manager, termination of the Fund or unit holder meetings) out of the assets of the Ordinary units of the Fund.

As at the date of the PDS, the abnormal costs component set out in the fees and costs summary in the PDS 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.

Performance fee

Munro may be entitled to receive a Performance Fee equal to 10.00% of the increase in NAV per unit of the Fund during each Performance Fee Calculation Period (the six months to 30 June and 31 December each year), subject to

exceeding the Hurdle Rate (the Hurdle Rate is the higher of 6% or the Australian Government 10 year bond yield + 3.5%) as well as a High Watermark.

Further information about the Performance Fee and how it is calculated and paid is included later in this section of the PDS under the heading **How is the Performance Fee calculated and paid?**

Transaction costs

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.

Transaction costs are an additional cost to investors, where they have not already been recovered by the buy/sell spread and are not included in the 'management fees 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 recovered by the buy/sell spread charged by the Responsible Entity.

The estimated net transaction costs (representing the total gross transaction costs minus the total amount recovered through the buy/sell spread of +0.15%/-0.15%), set out in the fees and cost summary in the PDS is 0.39% of the NAV of the Ordinary units which reflects the Responsible Entity's reasonable estimate at the date of the PDS and this document of those transaction costs that will apply for the current financial year.

At the date of the PDS, the Responsible Entity's reasonable estimate of the total gross estimated transaction costs that will apply for the current financial year (adjusted to reflect a 12 month period) will be 0.44% p.a. of the NAV of the Ordinary units. The transaction costs will be borne by the Fund as and when incurred.

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, updated transaction costs information will be posted on our website at 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 new PDS.

Buy/Sell spread

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

The buy/sell spread may vary from time to time to reflect changes in the transaction costs incurred, or likely to be incurred. The buy/sell spread for the Fund is currently 0.15% of the NAV per Ordinary unit when you make an application for, or a withdrawal of units. 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 at gsfm.com.au and we will advise you in the next regular communication after the change.

Worked dollar example

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

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

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

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 payable by the Fund. The Performance Fee is calculated and accrued daily in the unit price of the Ordinary units of the Fund and is payable within 30 days of the end of each Performance Fee Calculation Period (the six months to 30 June and 31 December each year). This fee is calculated by the administrator and invoiced directly to the Fund by the Responsible Entity and subsequently paid by the Responsible Entity to Munro.

The Performance Fee is equal to 10.00% of the return of the Ordinary units for the period (net of management fees and all transaction costs). The Performance Fee accrues and is payable at the end of the Performance Fee Calculation Period when the NAV per Ordinary unit of the Fund at the end of the Performance Fee Calculation Period exceeds the NAV per Ordinary unit of the Fund at the beginning of the Performance Fee Period and is above the Hurdle Rate and the High Watermark.

The NAV at the end of the Performance Fee Calculation Period is adjusted to take into account any applications, redemptions and distributions, including pending distributions. The Hurdle Rate is the higher of 6% or the Australian Government 10 year bond yield + 3.5%. The High Watermark is the highest NAV per Ordinary unit at the end of any preceding Performance Fee Calculation Period. Having a High Watermark ensures that any negative returns must be surpassed before a Performance Fee is accrued and payable.

Where the payment of the Performance Fee would result in the NAV (prior to being adjusted to take into account any applications, redemptions and distributions, including pending distributions) per Ordinary unit at the end of the Performance Fee Calculation Period falling below the High Watermark or Hurdle Rate, the Performance Fee will be reduced to the extent necessary to ensure the NAV (prior to being adjusted to take into account any applications, redemptions and distributions, including pending distributions) per Ordinary unit does not fall below the High Watermark or the Hurdle Rate.

Only when the Ordinary units have increased in value and made up the underperformance (i.e. exceeded the High Watermark) and performance is in excess of the Hurdle Rate, will a Performance Fee be paid at the end of the Performance Fee Calculation Period.

When you make an investment in the Fund, any accrued Performance Fee will have already been calculated and included in the valuation of the Ordinary units.

When you make a withdrawal from the Fund any accrued Performance Fee will have already been calculated and included in the valuation of the Ordinary units as at the time of withdrawal.

Generally, the greater the investment performance of the Fund, the greater the Performance Fee and therefore the greater the overall management costs for the Fund. The Performance Fee set out in the fees and costs summary is 1.15% 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 5-year Performance Fee for the Fund (adjusted to reflect a 12-month period). 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 hurdle rate nor expected or future performance of the Fund and assumes no applications or withdrawals made during the Performance Period.

Calculation Period of six months (e.g. 1 July- 31 December)	Component	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Performance Fee	%	10.00%	10.00%	10.00%	10.00%
Hurdle Rate	% per annum	6.50%	6.50%	6.50%	6.50%
Previous High Watermark	\$ per unit	1.3000	1.3000	1.3000	1.3000
Hurdle rate applied to Previous High Watermark	\$ per unit	1.3423	1.3423	1.3423	1.3423
Opening NAV per Ordinary unit (e.g. 1 July)	\$ per unit	1.2500	1.2500	1.2500	1.2500
Fund return for Performance Fee Period (excluding Performance Fee)	%	0.00%	5.00%	7.50%	15.00%
Closing NAV per Ordinary unit (e.g. 31 December) before Performance Fee	\$ per unit	1.2500	1.3125	1.3438	1.4375
Did the Fund performance exceed the High Watermark?		No	Yes	Yes	Yes
Did the Fund performance exceed the Performance Hurdle?		No	No	Yes	Yes
Performance fee per Ordinary unit	\$ per unit	0	0	0.0015	0.0138
Closing NAV per Ordinary unit (e.g. 31 December) after performance fee	\$ per unit	1.2500	1.3125	1.3423	1.4238
End of Period High Watermark	\$ per unit	1.3000	1.3125	1.3423	1.4238
Units held by unit holder	units	40,000	40,000	40,000	40,000
Opening value of investment (e.g. 1 July)	\$	50,000	50,000	50,000	50,000
Closing value of investment (e.g. 31 December)	\$	50,000	52,500	53,690	56,950
Performance Fee paid	\$	0	0	60.00	550.00
Net return for Calculation Period	%	0.00%	5.00%	7.38%	13.90%

Fee maximums and changes to fees

We are entitled under the Constitution of the Fund to charge a management fee up to 2.0% per annum of the NAV of the Fund and a Performance Fee up to 20.0% of the increase in the NAV, subject to a High Watermark and Hurdle Rate (exclusive of GST). We have elected to limit our management fee to 1.35% of the NAV and the Performance Fee to 10.00% (inclusive of GST and any applicable stamp duty and net of any applicable reduced input tax credits).

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 with 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 the PDS. You should refer to the website gsfm.com.au from time to time for any updates which are not materially adverse to investors.

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.

Platform access payments

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

We may make product access payments where a flat dollar amount per annum is paid to the platform provider for administrative and investment related services.

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

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

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 may be inspected by contacting Client Services.

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 a specific class of units 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.

Related party payments

GSFM Pty Limited (**GSFM**) is a related party of GRES. GSFM provides distribution, administration and support services to GRES. GRES pays reasonable remuneration to GSFM for these services 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 8 **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.

7 DEALING WITH YOUR INVESTMENT

Unit pricing

The Net Asset Value unit price for Ordinary units is calculated each business day (a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia or such other day as determined by the Responsible Entity) by the Responsible Entity by taking the total market value of all of the assets attributable to the Ordinary units on that day, less any attributable liabilities (excluding redemption liabilities but including management fees payable in respect of the Ordinary units) (**NAV**) and then dividing this by the total number of Ordinary units held by all investors in the Fund on that day. The entry and exit unit prices are determined by adjusting the NAV per unit by the buy and sell spreads (respectively).

When you make an investment in the Fund, you will be allocated units based on the entry price. When you withdraw from the Fund, we redeem your units based on the exit price. The rights, entitlements and any applicable calculations of the Ordinary units will be determined in accordance with the terms of the Ordinary units and may be different to the rights, entitlements and applicable calculations of other classes of units in the Fund.

Unit prices will vary as the market value of the Fund's assets rise or fall. Unit prices are generally calculated each business day except where withdrawals are suspended (see **Restrictions on withdrawing your investment** later in this section) and posted on the website: gsfm.com.au.

Investing

The minimum initial investment in the Fund is \$10,000. We may waive this minimum requirement at our absolute discretion and in certain circumstances may reject an application.

1. If you are a Direct Investor, complete all sections of the Application Form available from gsfm.com.au or by contacting Client Services. Information about how to complete the Application Form, and payment details and methods are available with the Application Form. If you are an Indirect Investor, you must complete the documentation your IDPS operator requires.
2. As part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter-Terrorism Act information included with your Application Form.
3. To comply with the FATCA and CRS requirements, we will collect additional information from you and will disclose such information to the Australian Taxation Office. This information may be shared with revenue authorities in other jurisdictions under the various exchange of information agreements that Australia has entered into with other jurisdictions. For more information on FATCA and CRS refer to **How managed investment schemes are taxed** in Section 8 of this PDS.
4. Return your completed and signed Application Form and other required documents via mail or email to Client Services.

You may pay by direct debit, BPAY® or electronic funds transfer (EFT).

If you are paying by direct debit, we require you to complete and sign the Direct Debit section of the Additional Application Form. This provides us with the authority to debit your account. Please ensure you have read the terms of the Direct Debit Service Agreement which follows in Section 10. It may take up to three business days for your application monies to clear from the date we issue a direct debit request to your bank. We will not issue units until your application monies have cleared. Direct debit requests can only be made from an Australian bank account.

If paying by BPAY® please remit your application amount quoting your Customer Reference Number (**CRN**) and the BPAY® biller code for the Fund. Your CRN will be issued to you as part of the online application process, or you can obtain your CRN and the Fund biller code by contacting Client Services.

If paying by EFT please deposit into the bank account specified on the Application Form.

We are not bound to accept an application and accept no responsibility for

applications that have been sent to an incorrect address. You are responsible for ensuring that you use the correct contact details and accept that if you use incorrect address details your application may be delayed or not processed.

* Registered to BPAY Pty Ltd ABN 69 079 137 518.

About your application money

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

Incomplete or rejected application forms

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

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

Regular monthly investment plan

The regular monthly investment plan enables you to open an account to invest in the Fund and then to invest regular additional investment amounts each month via direct debit from a nominated account. The minimum initial investment for a regular monthly investment plan is \$5,000 with a minimum ongoing monthly contribution of \$200. To start a regular monthly investment plan, complete the relevant sections of the Application Form which includes an authority to directly debit the contributions from your nominated bank account.

Direct debits will be processed on the first **Business Day** (a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia or such other day as determined by the Responsible Entity) following the 19th calendar day of each month.

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

Cooling-off period

If you are a retail client (as defined in the Corporations Act) you have a 14-day 'cooling-off period' commencing on the earlier of the end of the fifth day after we issue the units to you or within 14 days from the date you receive confirmation of your transaction. If, during the 'cooling-off period', you decide that the investment does not meet your needs, then you should immediately notify us. If you exercise your cooling-off rights, we will return your money to you and no fees will apply. The amount you receive will reflect any market movement up or down which means there may be taxation implications for you. We will also deduct any tax or duty incurred and a reasonable amount for transaction and administration costs. As a result, the amount returned to you may be less than your original investment.

The cooling-off period does not apply if you invest in the Fund indirectly via an IDPS. See **Cooling-off** for indirect investors later in this section of the PDS.

Making an additional application

You can add to your investment at any time by mailing or emailing Client Services an Additional Application Form, which can be downloaded from our website, or by sending your written instructions.

You may pay by direct debit, BPAY® or electronic funds transfer (EFT).

If you are paying by direct debit, it may take up to three business days for your application monies to clear from the date we issue a direct debit request

to your bank. We will not issue units until your application monies have cleared.

If paying by BPAY® please remit your application amount quoting your Customer Reference Number (CRN) and the BPAY® biller code for the Fund. Your CRN will be issued to you as part of the online application process, or you can obtain your CRN and the Fund biller code by contacting Client Services.

If paying by EFT, please deposit into the bank account set out on the Additional Application Form.

* Registered to BPAY Pty Ltd ABN 69 079 137 518.

The minimum additional investment is \$5,000.

Please ensure that applications are sent to Apex Fund Services – Unit Registry address referred to in the PDS, or emailed to registry@apexgroup.com.

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

Processing

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

If we receive an invalid or incomplete application or withdrawal request, the transaction request will be processed using the unit price applying on the business day we receive the correct documentation. The cut-off time of 2pm (AEST/AEDT) still applies.

Instructions received via email

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

Amending your Investor details

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

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

Privacy and your personal information

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/privacy-policy. 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 Apex Fund Services' Privacy Notice is available at apexgroup.com/privacy/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 Client Services.

Anti-Money Laundering & Counter-Terrorism Financing Act 2006

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

We may need to identify:

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

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

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

If you have any questions about our requirements, please contact Client Services.

If the Fund becomes illiquid

If the Fund becomes illiquid (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)), units may only be withdrawn if we make a withdrawal offer to all unit holders in the Fund in accordance with the Fund's Constitution and the Corporations Act.

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.

Withdrawing

Making a withdrawal

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

withdraw must be signed by the appropriate authorised signatories.

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

Withdrawals will be paid to your nominated Australian Bank Account usually within five business days.

Please ensure that withdrawal requests are sent to Apex Fund Services (refer to contact details on the inside of the front cover of this document).

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

There may be circumstances where withdrawals are suspended and you may not be able to withdraw your investment from the Fund in the usual time period. We may delay or suspend a withdrawal request when it is impracticable for us, or we are unable, to calculate the NAV of the Fund. This may occur, for example, because of financial market disruptions or closures, or if the Fund becomes illiquid. If the Fund becomes illiquid (as defined in the Corporations Act), units may only be withdrawn if we make a withdrawal offer to all unit holders in the Fund in accordance with the Fund's Constitution and the Corporations Act.

Please refer to **Restrictions on withdrawing your investment** that follows in this section.

If there are any material changes to investors' withdrawal rights we will provide you with written notice. Changes to information in this PDS that is not materially adverse to investors will be available on our website, gsfm.com.au. Please check our website, contact your financial adviser, or call Client Services for any updates prior to investing or withdrawing from the Fund.

Processing

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

If we receive an invalid or incomplete application or withdrawal request, the transaction request will be processed using the unit price applying on the business day we receive the correct documentation. The cut-off time of 2pm (AEST/AEDT) still applies.

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

Restrictions on withdrawing your investment

There may be circumstances when your ability to withdraw from the Fund is restricted. Please read the following information on restrictions on withdrawals.

No withdrawals shall be permitted where the issue or redemption of units is suspended. Withdrawals may be suspended for a period of time including where:

- it is impracticable for us to calculate the Net Asset Value (**NAV**) of the Fund for example, because of financial market disruptions or closures;
- 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;
- 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;
- there have been, or we anticipate that there will be, withdrawal requests that involve realising a significant amount of the Fund's assets which would, in our opinion, result in remaining unit holders bearing a disproportionate amount of capital gains tax or other expenses, or suffering any other disadvantage including a material diminution in the value of the Fund's assets;
- 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.

Transferring units

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

We are entitled under the Constitution to charge a unit transfer fee of 1.0% of the consideration paid or payable for the transfer of units from a unit holder to a transferee, subject to the minimum fee payable per transaction being \$100. If we elect to charge this fee we will provide you with written notice.

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

Distributions

The Fund aims to pay any distributions annually following the end of June each year. The Fund's unit price will generally fall after each distribution to reflect the distributions. 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 be made up of income and capital gains generated by the Fund. We calculate the distribution based on the Fund's net income at the distribution date divided by the number of units on issue. 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.

You can choose to have your distributions:

- automatically re-invested. There is no buy/sell spread on distributions that are reinvested. The additional units will be issued using the unit price applicable immediately after the distribution; or

- you may have your distribution directly credited to your nominated Australian Bank Account.

Distributions are re-invested unless you instruct us otherwise on the Application Form.

Indirect Investors

Application form

If you are investing in the Fund through an IDPS do not complete the Application Form accompanying this PDS, please follow the instructions of the IDPS operator on how to make an application to the Fund.

Reporting

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

Withdrawals

If you are investing in the Fund through an IDPS, please follow the instructions of the IDPS operator on how to make a withdrawal from the Fund. Provisions which relate to withdrawals from the Fund will apply to the operator of the IDPS and not to you, the Indirect Investor.

Fees and costs

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.

Tax

Taxation consequences of investing in the Fund, Section 8 **How managed investment schemes are taxed**, does not consider the treatment of Indirect Investors. You should consult your tax adviser in relation to investing through an IDPS.

Cooling-off

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

Complaints handling

As an Indirect Investor, your first point of contact for any complaints in relation to an investment in the Fund will be your IDPS operator. You may also access the procedures we have in place to handle any enquiries or complaints. Please refer to **Complaints resolution** in Section 10 **Additional information** of this PDS.

8 HOW MANAGED INVESTMENT SCHEMES ARE TAXED

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

You should seek independent professional tax advice that takes account of your particular circumstances before investing in the Fund. 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 with effect from 1 July 2017.

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
- Capital Gains Tax (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 not made, and does not intend to make, the MIT capital account election therefore, all gains and losses of the Fund from 'covered assets' (primarily shares, units and options over those assets) are treated as being on revenue account.

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. The distributions received 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 purposes.*

Foreign income

Distributions may include foreign income. If foreign tax is paid by the Fund 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.

Gains on transfer and redemption 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.

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

We recommend you provide your TFN/ABN on the Application Form. It is not compulsory for an Australian 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 an ITC or 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.

9 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.

The Constitution gives us a number of rights, including a number of discretions relating to unit pricing. You can view or obtain a copy of the Constitution and Unit Pricing Discretions Policy by contacting Client Services.

Investment Management Agreement

GRES has entered into an investment management agreement (**IMA**) with Munro. Under the IMA, Munro agrees to provide investment management services with respect to the Fund.

The IMA may be terminated by either party in certain circumstances such as if the other party is insolvent, materially breaches the agreement, ceases to hold or be exempt from holding an Australian financial services licence, ceases to hold all other licences necessary to conduct its business, ceases to carry on its business or engages in fraudulent, dishonest, misleading or deceptive conduct in connection with the services provided pursuant to the agreement.

Each party agrees to indemnify the other party from any losses and expenses arising from the first party's fraud, negligence or wilful default.

Prime brokerage and custody

Morgan Stanley & Co International

Morgan Stanley & Co. International plc (**Morgan Stanley**), a member of the Morgan Stanley Group of companies, based in London, provides prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (**Agreement**) entered into between GRES on behalf of the Fund and Morgan Stanley for itself and as agent for certain other members of the Morgan Stanley Group of companies (**Morgan Stanley Companies**). These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise the Morgan Stanley, other Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. Morgan Stanley is authorised by the Prudential Regulatory Authority (**PRA**) and regulated by the Financial Conduct Authority (**FCA**) and the PRA.

Morgan Stanley also provides a custody service for the Fund's investments, including documents of title or certificates evidencing title to investments, held on the books of the Morgan Stanley as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the FCA. Morgan Stanley may appoint sub-custodians, including the Morgan Stanley Companies, of such investments.

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

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

rank as one of Morgan Stanley's general creditors in relation thereto.

As security for the payment and discharge of all liabilities of the Fund to Morgan Stanley and the Morgan Stanley Companies, the investments and cash held by Morgan Stanley and each such Morgan Stanley Company is charged by the Fund in their favour and therefore constitutes collateral for the purposes of the FCA rules. Investments and cash may also be deposited by the Fund with Morgan Stanley and other members of the Morgan Stanley Group of companies as margin to secure liabilities owed by the Fund to the Morgan Stanley Group and will also constitute collateral for the purposes of the FCA rules.

The Fund's investments may be borrowed, lent or otherwise used by Morgan Stanley and the Morgan Stanley Companies for its or their own purposes, whereupon such investments will become the property of Morgan Stanley or the relevant Morgan Stanley Company and the Fund will have a right against Morgan Stanley or the relevant Morgan Stanley Company for the return of equivalent assets. The Fund ranks as an unsecured creditor in relation thereto and, in the event of the insolvency of Morgan Stanley or the relevant Morgan Stanley Company, the Fund may not be able to recover such equivalent assets in full.

Neither Morgan Stanley nor any Morgan Stanley Company is liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of Morgan Stanley or any Morgan Stanley Company. Morgan Stanley is not liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. Morgan Stanley and the Morgan Stanley Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Fund has agreed to indemnify Morgan Stanley and the Morgan Stanley Companies against any loss suffered by, and any claims made against, them arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person or breach of applicable law or regulation by the indemnified person.

Morgan Stanley is a service provider to the Fund and is not responsible for the preparation of this PDS or the activities of the Fund and therefore accepts no responsibility for any information contained in this PDS. Morgan Stanley does not participate in the investment decision-making process.

UBS AG, Australia Branch

GRES on behalf of the Fund has also appointed UBS AG, Australia Branch (**UBS AG**) to be a Prime Broker and UBS Nominees Pty Ltd (**UBS Nominees**) as a Custodian for the Fund (together, **UBS**). The appointments were made pursuant to the prime brokerage customer documents (**Customer Documents**) entered into between GRES on behalf of the Fund and UBS.

The services of UBS AG as a Prime Broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. UBS AG may also provide a cash account which is a ledger for recording the Fund's cash balances under the Customer Documents.

UBS Nominees as a Custodian to the Fund will provide custody services for some or all of the Fund's investments. The Custodian may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the Customer Documents. The assets of the Fund held by the Custodian will be subject to a security interest to secure the Fund's obligations to UBS AG and its related entities.

Subject to limitations, UBS AG may request that the Custodian pay or deliver assets to the Prime Broker. UBS AG is entitled to borrow, lend, charge, rehypothecate, dispose of or otherwise use such assets for its own purposes, subject to an obligation to return equivalent assets. In the event of the insolvency of UBS AG or the Custodian, the Fund will rank as an unsecured creditor to the value of those assets, and may not be able to recover the equivalent assets in full.

Under the terms of the Customer Documents, the Fund may seek to borrow securities from UBS AG with a borrowing request. If UBS AG accepts the Fund's borrowing request, UBS AG will deliver the securities borrowed to the

Fund or as the Fund directs. The Fund will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date, or otherwise UBS AG may call for the redelivery at any time by giving notice on the terms of the Customer Documents.

Under the Customer Documents, UBS AG is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of an executing broker, noncompliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction, amongst other things, (except to the extent that any loss arises directly as a result of the negligence, willful default or fraud of UBS).

To the extent permitted by law, neither UBS AG, UBS Nominees nor any related entity will be liable for any loss suffered by the Fund under or in connection with the Customer Documents unless such loss results directly from the negligence, willful default or fraud of UBS AG, UBS Nominees or related entity as set out in the terms of the Customer Documents. UBS Nominees is not liable to the Fund for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the Customer Documents (other than related entities), but UBS Nominees will make available to the Fund, when and to the extent reasonably so requested, any rights that UBS Nominees may have against such person.

Under the Customer Documents the Fund indemnifies UBS and its related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the Customer Documents other than as a result of the negligence, willful default or fraud of UBS or the relevant related entity.

Although UBS will provide reporting and information to the Fund about the assets held by UBS, UBS is not responsible for monitoring the Fund's positions for the purpose of determining their composition or performance.

The Fund may remove UBS AG as a Prime Broker and UBS Nominees as a Custodian by giving written notice.

UBS is not responsible for the activities of the Fund, will not participate in the Fund's investment decision-making process and makes no representation in respect of the Fund or the Fund's investments.

UBS AG is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959 (Cth) and is supervised by the Australian Prudential Regulation Authority. Note that provisions in the Banking Act 1959 for the protection of depositors do not apply to Foreign ADIs, including UBS AG.

UBS consents to being named in the PDS and any electronic version of the PDS in the form and context in which we are named in the PDS.

UBS is not responsible for the preparation of, and has not authorised or caused the issue of, the PDS, and has not made or purported to make any statement included in or any statement on which a statement in the PDS is based

JPMorgan

GRES has appointed JPMorgan to hold the assets of the Fund in its capacity as joint custodian.

Compliance Plan

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

A copy of the Compliance Plan is available by contacting Client Services.

10 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.

Copies of the following documents are available from Client Services 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.

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 contact Client Services on 1300 133 451 or email 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
Email: info@afca.org.au

Related party transactions and conflicts of interest

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 the PDS) to being named, in the form and context in which they are named, in the PDS:

- Munro Partners as Investment Manager of the Fund;
- Morgan Stanley as Prime Broker and joint Custodian of the Fund;

- JPMorgan Chase Bank NA as joint Custodian and administrator to the Fund;
- UBS AG, Australia Branch as Prime Broker and UBS Nominees Pty Limited as joint Custodian.
- 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;

Each of these persons named above:

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

Direct Debit Request Service Agreement

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

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

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

Definitions

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

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

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

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

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

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

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

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

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

1. Debiting your account

1.1 By signing a *Direct Debit Request* or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.

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

or

We will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the *Direct Debit Request*, a billing advice which specifies the amount payable by you to us and when it is due.

1.3 If the debit day falls on a day that is not a *banking day*, we may direct your financial institution to debit your account on the following *banking day*. If you are unsure about which day your account has or will be debited you should ask your financial institution.

1.4 The Direct Debit will be made on receipt of your application. It takes three days for the request to be cleared. Upon confirmation that the funds are cleared we will apply for units in the relevant Fund on your behalf.

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

2. Amendments by us

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

3. Amendments by you

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

Unit Registry Apex Fund Services Pty Ltd GPO Box 4968 Sydney NSW 2001

or

by calling 1300 133 451 during business hours;

or

arranging it through your own financial institution.

4. Your obligations

4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a *debit payment* to be made in accordance with the *Direct Debit Request*.

4.2 If there are insufficient clear funds in your account to meet a *debit payment*:

- a. you may be charged a fee and/or interest by your financial institution;
- b. you may also incur fees or charges imposed or incurred by us; and
- c. you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

4.3 You should check your account statement to verify that the amounts debited from your account are correct.

4.4 If **Apex Fund Services Pty Ltd** is liable to pay goods and services tax (GST) on a supply made in connection with this agreement, then you agree to pay **Apex Fund Services Pty Ltd** on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

5.1 If you believe that there has been an error in debiting your account, you should notify us directly on 1300 133 451 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution directly.

5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

6. Accounts

You should check:

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

7. Confidentiality

7.1 We will keep any information (including *your account* details) in *your Direct Debit Request* confidential. We will make reasonable efforts to keep any such information that we have about *you* secure and to ensure that any of our employees or agents who have access to information about *you* do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information that we have about *you*:

- a. to the extent specifically required by law; or
- b. for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

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

Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

8.2 We will notify *you* by sending a notice in the ordinary post to the address *you* have given us in the *Direct Debit Request*.

8.3 Any notice will be deemed to have been received on the third banking day after posting.



TERMS USED IN THIS PDS

AUD or \$	Australian dollars.
ASIC	Australian Securities and Investments Commission.
Bank Account	Bank Account means an account with an Australian Authorised Deposit Taking Institution (which includes a building society and credit union).
Business day	Any day that is not a Saturday, Sunday, public or bank holiday in New South Wales.
Constitution	The constitution deed of the Fund as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Fund	Munro Global Growth Fund ARSN 612 854 547 ABN 92 514 177 120 APIR MUA0002AU.
Gross Exposure Limit	The value of both the long positions and short positions of the Fund, subject to a maximum of 200% of Net Asset Value.
GST	Goods and Services Tax chargeable in accordance with the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
High Watermark	The highest value that a unit has reached at the end of a Performance Fee Period, for which a Performance Fee is payable.
Hurdle Rate	The Hurdle Rate is the higher of 6% p.a. or the Australian Government 10 year bond yield + 3.5% p.a.
IDPS	Investor Directed Portfolio Service.
Investment Manager, Munro Partners, Munro	Munro Partners
Management fee	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.
Net Asset Value (NAV)	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.
Net Exposure Limit	The value of the long positions of the Fund, subject to a maximum of 100% of Net Asset Value.
PDS	This product disclosure statement.
Performance fee	The amount paid or payable calculated by reference to the performance of the Fund.
Responsible Entity or GSFM Responsible Entity Services	GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517 as Responsible Entity of the Fund.
Unit holder	A person entered on the register of the Fund as a holder of units.
Units	Unless specifically stated, being a beneficial interest in the Fund as offered under this PDS.
'we', 'our', 'us' or 'GRES'	The Responsible Entity of the Scheme.

Important investment terms explained

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

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

Active management: When the manager of a fund or portfolio makes proactive trading decisions in order to maximise returns. Active managers believe they can outperform the market by identifying mispricing through a variety of strategies.

Clearing house: A financial institution which provides clearing and settlement of derivatives and securities transactions.

Collateral: Assets such as investments or cash provided by way of security for the discharge of any liability arising from a transaction by the Fund such as a derivative transaction.

Contracts for difference (CFD): A CFD is an over-the-counter (OTC) derivative product which derives its value from the value of another asset such as equities, indices, futures and commodities and is an agreement to exchange the difference in value between the opening and closing value of that underlying asset.

Derivatives: Generally, derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index, including stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Examples of derivative instruments include options contracts, futures contracts, options on futures contracts and swap agreements.

Drawdown: Is a decline in the value of an investment, below its all-time high.

EBITDA: Earnings before interest, taxes, depreciation and amortisation.

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

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

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

Hedging: The practice of taking equal and opposite positions in two different markets (e.g. cash and futures) in order to protect against losses. While hedges can reduce losses, they can also reduce profits.

Long position: Owning securities that the Investment Manager expects will rise in value. Conversely, the Fund will lose money if the price of the securities goes down.

Long/short: Long/short is an investment strategy that seeks to generate returns by owning securities that the Investment Manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to decrease in value.

Option: A contract that gives the owner the right but not the obligation, to buy or sell a particular asset at a fixed price (strike price – which is the price at which the owner of the option can purchase (call) or sell (put) the underlying asset) for a specific period of time (until expiration when the option and the right to exercise cease to exist). The contract also obligates the writer to meet the terms of delivery if the owner exercises the contract right.

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

Short position: The sale of a borrowed security or currency with the expectation that the asset will fall in value. The position is covered by buying back the asset, theoretically at a lower price and thus locking in a profit, and returning the borrowed asset. When the Fund takes a short position, it will lose money if the price of the security goes up and make money if the price goes down.

Short selling: Short selling means a fund sells securities it does not own to try and profit from a decrease in the value of those securities. This is generally done by borrowing the securities from another party to make the sale.

Swap: A derivative contract under which an agreement is made with a counterparty to exchange the returns of one asset for another.

Yield: The annual income of a bond divided by the market price of the bond. As interest rates rise the market price of the bond will fall and when interest rates fall the market price of the bond will rise.

CORPORATE DIRECTORY

Responsible Entity	GSFM Responsible Entity Services Limited Level 1, 275 George Street Sydney NSW 2000 gsfm.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
Investment Manager	Munro Partners Level 12, 80 Collins Street (South Tower) Melbourne VIC 3000 munropartners.com.au

