

## Product Disclosure Statement (PDS)

Class A Units | ARSN 130 353 310 | ASX mFund Code GSF08

30 September 2022

Payden&Rygel

## Contents

1. About GSFM Responsible Entity Services Limited
2. How the Payden Global Income Opportunities Fund works
3. Benefits of investing in the Payden Global Income Opportunities Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other Information

## Read this

**!** This PDS is prepared in accordance with the shorter PDS regime and summarises significant information relating to the Payden Global Income Opportunities Fund (ARSN 130 353 310) (**Fund**) and it contains a number of references to important information which is contained in the 'Additional Information to the Product Disclosure Statement' (each of which forms part of the PDS). **! This is important information you should read together with this PDS and consider before making a decision to invest in the Fund.** You can access the 'Additional Information to the Product Disclosure Statement' on our website or request a copy free of charge by calling us on 1300 133 451. If you are accessing the Fund through the ASX mFund Settlement Service (**mFund**) you can also access this PDS at [www.mFund.com.au](http://www.mFund.com.au). The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should consider the appropriateness of the information in this PDS and the 'Additional Information to the Product Disclosure Statement' having regard to your personal objectives, financial situation and needs before acting on the information in this PDS and the 'Additional Information to the Product Disclosure Statement'. You should obtain financial advice tailored to your personal circumstances.

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 GSFM Responsible Entity Services Limited or any of its related bodies corporate, affiliates, associates or officers. None of these entities guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund.

## About this PDS

This PDS dated 30 September 2022 is issued by GSFM Responsible Entity Services Limited ABN 48 129 256 104, AFSL 321517, the responsible entity for the Payden Global Income Opportunities Fund (ARSN 130 353 310) ABN 53 119 234 720 APIR Code GSF0008AU.

## Updated information

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

This is a public offer fund. The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia 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.

Payden & Rygel, the investment manager, has provided its consent to the statements about it in the form and context in which they are included. Payden & Rygel was not involved in the preparation and distribution of this PDS and is not responsible for the issue of the PDS nor is it responsible for any particular part of this PDS, other than those parts that refer to it. Payden & Rygel has not withdrawn its consent before the date of this PDS.

## Contact details

### Responsible Entity

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

### Mailing Address

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

### Client Service

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

*Issuer and Responsible Entity: GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517*

# 1. ABOUT GSFM RESPONSIBLE ENTITY SERVICES LIMITED

## The Responsible Entity

GSFM Responsible Entity Services Limited (**GRES, Responsible Entity, we, us, ours**), is the Responsible Entity for the Payden Global Income Opportunities Fund (the **Fund**) and the issuer of this PDS.

The responsibilities and obligations of GRES as 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.

## The Investment Manager

GRES has appointed Payden & Rygel Global Limited (**P&R Limited**) as the investment manager of the Fund.<sup>1</sup> P&R Limited has delegated to its parent, Payden & Rygel, the authority to provide all of the investment management services for the Fund. Payden & Rygel, headquartered in Los Angeles, is an independent global investment manager that was founded in 1983 and is privately owned by its senior management. It is regulated by the United States Securities and Exchange Commission. Payden offers a full array of investment strategies and products, including balanced, equity, and fixed-income portfolios to a varied client base around the world. Risk management is central to all Payden & Rygel's investment processes. Investment decisions combine top-down macro-driven perspectives with bottom-up micro-analysis. Macroeconomic fundamentals drive the top-down duration, sector and currency views, while fundamental analysis guides the bottom-up security selection process. (P&R Limited and Payden & Rygel will be referred to in this PDS as **Payden & Rygel, Payden, Investment Manager**).

# 2. HOW THE PAYDEN GLOBAL INCOME OPPORTUNITIES FUND WORKS

## About the Fund

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust governed by the Constitution together with the Corporations Act and other laws. Each investors' investment amount is pooled and invested in the manner described in Section 5. GRES operates the Fund. Investors do not have day to day control over the operation of the Fund.

## Units and unit prices

Investors in the Fund are allocated Class A units in the Fund which represent their beneficial interest in the assets of the Fund, but do not give an investor an interest in any particular asset of the Fund. We may at our discretion, issue additional classes of units in the Fund with different terms and conditions to those applicable to the Class A units.

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 Net Asset Value unit price for Class A units in the Fund is calculated each business day by the Responsible Entity by taking the total market value of all of the assets attributable to the Fund's Class A units on that day, adjusting for any attributable liabilities including management fees payable (**Net Asset Value**) and then dividing this by the total number of Class A units held by all investors in the Fund on that day. The entry and exit unit prices are determined by adjusting the Net Asset Value price by the buy and sell spreads (respectively). For more information on the buy and sell spread see the 'Additional explanation of fees and costs' in the 'Additional Information to the Product Disclosure Statement'.

Unit prices will vary as the market value of the Fund's assets rise or fall.

Unit prices are generally calculated each Sydney business day.

Unit prices will be available daily at [www.gsfm.com.au](http://www.gsfm.com.au) or by telephoning 1300 133 451.

## About mFund

The Fund is available through the mFund Settlement Service (**mFund**), a managed fund settlement service operated by the Australian Securities Exchange (**ASX**). mFund is an electronic processing system which utilises the Clearing House Electronic Subregister System (**CHES**), the ASX's electronic settlement system to automate and track the process of buying (applying for) and selling (withdrawing) the units of unlisted managed funds.

It allows you to apply for or withdraw units in the Fund via your mFund accredited licensed broker (**broker**), or financial adviser who uses a stockbroking service on your behalf. Your holding of mFund units is linked to your Holder Identification Number (**HIN**). Your HIN is used for all investments and transactions made through the ASX.

mFund does not provide a market for trading units in the Fund. Units settled through mFund are issued and redeemed by us.

Investors in mFund should read this PDS together with 'Additional Information to the Product Disclosure Statement' (each of which forms part of the PDS).

If you invest in the Fund through mFund, please contact your broker or financial adviser for more information as application and withdrawal requests through the mFund settlement service are subject to earlier cut-off times as specified in the ASX Settlement Operating Rules. Usually, for your application or withdrawal request to be processed using the Unit Price calculated for that day, your request must be received by the time specified under the ASX Settlement Operating Rules. Application or withdrawal requests received after the cut-off time will generally be processed using the Unit Price for the following business day.

If you are investing through mFund, the minimum initial investment amount is \$5,000.

**!** You should read the important information about '**mFund investors**' before making a decision. Go to Section 2 'How the Payden Global Income Opportunities Fund works' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## Investing directly

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. Please refer to Section 8 on how to apply.

You may add to your investment at any time. The minimum additional investment is \$5,000.

**!** You should read the important information about '**Making an additional application**', '**About your application money**', '**Incomplete or rejected application money**', '**Regular monthly investment plan**', '**Amending your investor details**', '**Valuations**', '**Instructions received via email or facsimile**', '**Transferring units**', '**Privacy and your personal information**', and '**Anti-Money Laundering & Counter Terrorism Financing Act 2006**' before making a decision. Go to Section 2 'How the Payden Global Income Opportunities Fund works' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

1. P&R Limited is a United Kingdom-based investment adviser that has a current Part IV permission under the United Kingdom Financial Services and Markets Act and is regulated by the United Kingdom Financial Services Authority. It provides financial services in Australia in reliance on a class order exemption granted by the ASIC under ASIC Class Order 03/1099.

## Withdrawing

You may redeem some or all of your units by either mailing, emailing or faxing 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.

Withdrawals will be paid to your nominated Australian Bank Account usually within five business days. However, the Fund's Constitution allows us up to 365 days to pay withdrawal requests in certain circumstances.

If your investment is held through mFund you can only request a withdrawal of your investment through mFund. Withdrawals will be paid, generally within five business days, to your relevant broking account.

There may be circumstances, such as a freeze on withdrawals or if the Fund becomes illiquid (as defined in the Corporations Act 2001), where your ability to withdraw your investment from the Fund is restricted and you may not be able to withdraw some or all of your investment within the usual period on request.

**!** You should read the important information about '**Making a withdrawal**', '**Restrictions on withdrawing your investment**' and '**If the Fund becomes illiquid**' before making a decision. Go to Section 2 'How the Payden Global Income Opportunities Fund works' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## Processing

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

If 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 Sydney time still applies.

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

## Indirect investors

We authorise the use of this PDS for investors who wish to access the Fund indirectly through an Investor Directed Portfolio Service (IDPS), IDPS-like scheme or a nominee or custody service (collectively referred to as 'master trust or wrap accounts').

If you invest in the Fund through an IDPS you should note that some information in this PDS may be relevant only for direct investors. This includes information relating to cut-off times for investing, processing times, and the time frame for payment of distributions as well as Fund reporting and investor notices.

**!** You should read the important information about '**Indirect investors**' before making a decision. Go to Section 2 'How the Payden Global Income Opportunities Fund works' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## Distributions

The Fund aims to pay distributions on a quarterly basis with the final distribution generally determined at 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 will be reinvested unless you instruct us otherwise on the Application Form.

## 3. BENEFITS OF INVESTING IN THE PAYDEN GLOBAL INCOME OPPORTUNITIES FUND

### Significant features

The Payden Global Income Opportunities Fund aims to deliver consistent positive returns over the medium term by investing in a variety of global fixed income securities. Payden's flexible investment approach enables the Fund to invest in the full spectrum of fixed income assets to take advantage of changing market environments and value opportunities. The investment team draws on the global macro-economic outlook of Payden's Investment Policy Committee composed of senior managers, in determining the broad asset allocation mix and utilises the bottom up expertise of Payden's global sector analyst teams to select securities that provide risk adjusted value. Payden selects appropriate weights of global corporate, sovereign and supranational issues; high yield; agency issues; emerging markets debt; mortgage-backed and asset-backed securities; syndicated bank loans; currency; and derivatives to generate return.

### Significant benefits

Benefits of investing in the Fund include:

- Professional management by an experienced fixed interest investment team;
- Access to a highly diversified portfolio of global fixed income securities with potential for regular income from its core investments;
- A portfolio that offers diversification benefits to investors;
- Exposure to a mix of markets, securities and currencies in which it would otherwise be difficult for an individual investor to invest for a relatively small initial investment;
- Disciplined risk management process;
- Aims to distribute quarterly; and
- Governance of the Fund in accordance with its Constitution and the Corporations Act.

**!** You should read the important information about the '**Constitution**', '**Compliance Plan**', '**Investment Management Agreement**' and '**Custodian, administrator and registrar**' before making a decision. Go to Section 3 'Benefits of investing in Payden Global Income Opportunities Fund' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## 4. RISKS OF MANAGED INVESTMENT SCHEMES

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

While Payden's disciplined investment approach aims to generate consistent returns over the long term it is important that you carefully consider the risks of investing in the Fund to understand that:

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

**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.

The significant risks for the Fund include but are not limited to:

- **Credit risk (also known as default risk)** - the risk that the issuer of a security may not meet its obligations in full and/or on time to pay interest and repay capital or other financial obligations.
- **Currency risk** - the risk that changes in currency exchange rates may change the value of securities that are not denominated in Australian dollars. While foreign denominated fixed income securities will generally be currency hedged there may be times when the Fund is exposed to fluctuations in exchange rates.
- **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, Unitholder's personal information or Fund data.
- **Derivative risk** - derivatives are financial contracts that are used to obtain or reduce market exposures. The value of a derivative is linked to the value of an underlying asset and can be highly volatile. Risks associated with using derivatives may include, but are not limited to, the value of the derivative failing to move in line with that of the underlying asset, the risk that counterparties to the derivative may not be able to meet payment obligations and the potential illiquidity of the derivative. The use of derivatives can incur significant losses.
- **Fixed income security risk** - fixed income security risk refers to the changes that may affect the fixed income and debt markets such as market wide and global economic factors; supply and demand pressures; individual issuer or company specific events; and credit risk.
- **Fund risk** - risks specific to the Fund include the risk that the Fund could be terminated, fees and expenses could change, GRES could be replaced as Responsible Entity and Payden & Rygel could be replaced as Investment Manager. There is also a risk that investing in the Fund may give different results from holding the underlying assets because of income or capital gains accrued in the Fund at the time of investing and the consequences of investment and withdrawal by other investors.

- **High yield debt risk (sub-investment grade securities)** - the Fund may invest in high yield securities which are below investment grade credit quality and involve a greater risk of default and price change due to changes in the issuer's creditworthiness. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities.
- **Interest rate risk** - the risk that changes in interest rates may have an adverse impact on the capital value or income of a fixed income security. The performance of the Fund will be sensitive to movements in interest rates.
- **International investments risk** - the performance of international securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. In addition, emerging markets tend to be more volatile than the developed markets.
- **Investment Manager risk** - the risk that in implementing the Fund's investment strategy the Investment Manager's investment decisions will not achieve the Fund's return objectives.
- **Liquidity risk** - the risk that securities in which the Fund is invested may be difficult to realise within a reasonable timeframe, 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.
- **Market risk** - changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates and exchange rates can all influence (negatively or positively) the value of the Fund's investments.
- **Operational risk** - the Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity or GRES, such as failure of technology or infrastructure, or natural disasters.
- **Service provider risk** - The risk that third party service providers engaged by the Responsible Entity to provide certain services to the Fund including for example, administration, custody and valuation services, do not properly perform their obligations and duties and cause harm to the Fund.

**!** You should read the important information about '**Risks of managed investment schemes**' before making a decision. Go to Section 4 'Risks of management investment schemes' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfn.com.au](http://www.gsfn.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.



## 5. HOW WE INVEST YOUR MONEY

You should consider the likely investment return, risk and your investment time frame when choosing to invest in the Fund.

### Payden Global Income Opportunities Fund

|   |   |             |           |     |        |      |           |
|---|---|-------------|-----------|-----|--------|------|-----------|
| <b>Investment return objective</b>                                      | <p>The Fund aims to provide:</p> <ul style="list-style-type: none"> <li>• a return of 250 basis points after fees above the benchmark, over the medium term; and</li> <li>• income (quarterly distributions).</li> </ul> <p>However, this is not a forecast and there is no guarantee the Fund will achieve this return.</p>  |             |           |     |        |      |           |
| <b>Minimum suggested time frame for holding investment</b>              | <p>3 years or more.</p> <p>Please note this is a guide only, not a recommendation.</p>  |             |           |     |        |      |           |
| <b>Benchmark</b>  | <p>Bloomberg AusBond Bank Bill Index</p> <p><i>Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') are not affiliated with GSFM Responsible Entity Services Limited (GRES) and do not approve, endorse, review, or recommend the Payden Global Income Opportunities Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to GRES. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Bloomberg AusBond Bank Bill Index.</i></p>   |             |           |     |        |      |           |
| <b>Description of Fund</b>  | <p>The Fund is designed for experienced investors who are looking for a return that seeks to exceed the benchmark through a diversified portfolio of primarily fixed income investments but who can tolerate fluctuations of income and the risk of capital loss.</p> <p>The Fund employs the Payden Absolute Return Investing ('PARI') strategy. The central anchor to PARI returns is income generated from a diversified portfolio of fixed income securities. The Fund's investments may include but are not limited to the following: global corporate, sovereign and supranational issues; high yield debt; agency issues; emerging markets debt; mortgage-backed and asset-backed securities; syndicated bank loans; currency; and derivatives to generate return. The Investment Manager adds medium-term thematic views, in which macroeconomic, demographic, geopolitical and other themes are analysed to understand the associated market implications, and uses short-term tactical trading to add incremental value. The Investment Manager may incorporate hedges to mitigate the potential effects of extreme market conditions.</p> <p>The Fund uses derivatives, which may include forwards, futures, options and swaps (including interest rate swaps, total return swaps and credit default swaps), to reduce risk, such as hedging currency exposure or the interest rate risk of a security, and to invest to take advantage of what in Payden's view represent compelling return opportunities.</p> <p>The base currency and neutral position of the Fund is the Australian dollar (AUD). The Fund will be substantially hedged to this currency unless the Investment Manager expresses a specific market view.</p> |             |           |     |        |      |           |
| <b>Indicative asset classes and asset allocation ranges<sup>1</sup></b> | Fixed Interest <sup>2</sup>   | 0% to 100%  |           |     |        |      |           |
|   | Sub investment grade securities   | 0% to 50%   |           |     |        |      |           |
|   | Foreign Exchange Exposure   | -20% to 20% |           |     |        |      |           |
|   | Cash  | 0% to 100%  |           |     |        |      |           |
|   | (including money market instruments, certificates of deposits and short government bills)   |             |           |     |        |      |           |
| <b>Risk level</b>   | <div style="text-align: center;">▼</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Low</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">High</td> <td style="width: 25%; text-align: center;">Very High</td> </tr> </table> <p><b>Medium.</b> There is a medium risk of the value of your investment going down in any year. Assuming the Fund achieves its investment objective, the Fund is likely to produce moderate returns over the medium to long term. See Section 4 'Risks of managed investment schemes' for more information on the risks of an investment in the Fund.</p>   |             |           | Low | Medium | High | Very High |
| Low   | Medium  | High        | Very High |     |        |      |           |
| <b>Fund performance</b>   | <p>Please see <a href="http://www.gsfm.com.au">www.gsfm.com.au</a> for information about the Fund's performance, including performance history. <b>Due to the historical nature of performance information and the volatility of returns, past returns are not a reliable indicator of future returns.</b></p>  |             |           |     |        |      |           |
| <b>Changes to Fund details</b>  | <p>We reserve the right to close or terminate the Fund and to change the Fund's investment return objective, investment strategy, benchmark, asset allocation ranges and currency strategy, without prior notice in some instances. We will inform you of any material changes to the Fund's details in the next regular Fund communication or as otherwise required by law. Information in this PDS that is not materially adverse to investors may be updated by us and will be available on our website <a href="http://www.gsfm.com.au">www.gsfm.com.au</a>. A paper copy of any updates will be provided free of charge on request.</p>  |             |           |     |        |      |           |

1. This will include all types of investments giving exposure to that asset, directly or indirectly. It does not preclude investment in other types of assets where the Investment Manager considers it appropriate to do so in the interest of investors.
2. This will include securities with fixed and floating interest rates. Some subcategories may have specific allocation limits.



You should read the important information about 'How we invest your money' before making a decision. Go to Section 4 'How we invest your money' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## 6. FEES AND COSTS

### DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower 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 ([www.moneysmart.gov.au](http://www.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.

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

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

Taxes are set out in Section 7 'How managed investment schemes are taxed' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfc.com.au](http://www.gsfc.com.au).

### Fees and cost summary

#### Payden Global Income Opportunities Fund - Class A units

| Type of fee or cost <sup>1</sup>  | Amount  | How and when paid  |
|---|---|--|
| <b>Ongoing annual fees and costs<sup>3</sup></b>  |   |  |
| <b>Management fees and costs</b><br>The fees and costs for managing your investment <sup>1,2,3</sup>                                    | <b>Estimated to be 0.70% p.a. of the Net Asset Value of the Fund, comprised of:</b><br>1. A management fee of 0.70% p.a. of the NAV of the Fund <sup>2</sup> ; and<br>2. Estimated indirect costs of 0.00% p.a. of the NAV of the Fund.<br>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 Net Asset Value ( <b>NAV</b> ) per unit and paid monthly in arrears. This fee is payable on the last Business Day of each calendar month. The amount of this fee can be negotiated.<br>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.<br>3. Abnormal costs are paid out of the Fund's assets as and when incurred. |
| <b>Performance fees</b><br>Amounts deducted from your investment in relation to the performance of the product                          | <b>Nil</b>  | Not Applicable - The Fund does not charge a performance fee and does not have the ability to charge a performance fee.   |
| <b>Transaction costs<sup>3</sup></b><br>The costs incurred by the scheme when buying or selling assets                                  | <b>Estimated transaction costs of 0.00% p.a. of the NAV of the Fund.<sup>4</sup></b>  | Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred.   |
| <b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>          |   |  |
| <b>Establishment fee</b><br>The fee to open your investment   | <b>Nil</b>  | The Fund does not charge an establishment fee  |
| <b>Contribution fee</b><br>The fee on each amount contributed to your investment  | <b>Nil</b>  | The Fund does not charge a contribution fee  |
| <b>Buy/sell spread<sup>3</sup></b><br>An amount deducted from your investment representing costs incurred in transactions by the scheme | <b>0.10% of the Net Asset Value per unit when there is an application for or a withdrawal of units in the Fund<sup>5</sup></b>  | Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.10% is charged on each application and a sell spread of 0.10% 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.  |
| <b>Withdrawal fee</b><br>The fee on each amount you take out of your investment   | <b>Nil</b>  | The Fund does not charge a withdrawal fee  |
| <b>Exit fee</b><br>The fee to close your investment   | <b>Nil</b>  | The Fund does not charge an exit fee   |
| <b>Switching fee</b><br>The fee for changing investment options   | <b>Nil</b>  | The Fund does not charge switching fees  |

1. See Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au), for further details on fees and costs that may be payable. All fees and costs set out in this section are inclusive of GST and any applicable stamp duty, less any applicable input tax credits and reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
2. The amount of this fee can be negotiated if you are a wholesale client under the Corporations Act. Please refer to 'Differential fees' in Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au).
3. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. Please refer to Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au).
4. The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au), for further details.
5. 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 Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au) for further details.

### Example of annual fees and costs

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

| Example - Payden Global Income Opportunities Fund - Class A units |   | Balance of \$50,000 with a contribution of \$5,000 during year <sup>1</sup>  |
|---|---|--|
| <b>Contribution Fees</b>  | Nil                                       | For every additional \$5,000 you put in, you will be charged \$0.  |
| <b>PLUS</b> Management fees and costs <sup>3,4,5</sup>            | 0.70% p.a. of Net Asset Value of the Fund | And, for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$350 each year.   |
| <b>PLUS</b> Performance fees <sup>4</sup>                         | Nil                                       | And, you will be charged or have deducted from your investment \$0 in performance fees each year.  |
| <b>PLUS</b> Transaction costs <sup>3,4</sup>                      | 0.00% p.a. of the NAV of the Fund         | And, you will be charged or have deducted from your investment \$0 in transaction costs  |
| <b>EQUALS</b> 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:<br><b>\$350<sup>2,3,4</sup></b> |
|   |   | <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>   |

1. The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and the example assumes that the \$50,000 is invested for the entire year and that the \$5,000 contribution occurs on the last day of the year, so that the management fees and costs are calculated using the \$50,000 balance only. This example also assumes that the value of your investment remains the same during the year. Please note that this is just an example. In practice, an 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.
2. Additional fees and costs may apply. A buy/sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au), for further details.
3. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. Please refer to Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement', available at [www.gsfm.com.au](http://www.gsfm.com.au), for more information on fees and costs that may be payable.
4. All fees and costs are inclusive of GST and any applicable stamp duty, less any applicable input tax credits and reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
5. The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to "Differential fees" in Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au).

**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

We may elect to change the fees and costs outlined in this section (e.g. due to changes in economic conditions and size of the Fund) without investor consent. We will provide you at least 30 days written notice of any proposed increase in these or other fees.



You should read the important information about '**Fees and costs**' before making a decision. Go to Section 6 'Fees and costs' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

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

Managed funds generally distribute all of their income each year so that the fund is not subject to tax. Managed funds do not pay the tax liability on behalf of Australian resident investors. As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Fund. In normal circumstances, you should expect that some income and/or capital gains will be generated each year.



You should read the important information about '**How managed investment schemes are taxed**' before making a decision. Go to Section 7 'How managed investment schemes are taxed' of the 'Additional Information to the Product Disclosure Statement' at [www.gsfm.com.au](http://www.gsfm.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## 8. HOW TO APPLY

1. Read this PDS together with the 'Additional Information to the Product Disclosure Statement' available from [www.gsfm.com.au](http://www.gsfm.com.au)
2. Complete all sections of the Application Form available from [www.gsfm.com.au](http://www.gsfm.com.au) or by calling us on 1300 133 451. 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.  
You can also invest directly in the Fund through mFund by placing an order to buy units through your broker or a financial adviser who uses a stock broking service on your behalf. Please contact your broker or financial adviser for more information.
3. 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.
4. 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 the 'Additional Information to the Product Disclosure Statement.'
5. Return your completed and signed Application Form and the other documents requested to us with your cheque marked not negotiable and made payable to '**Payden Global Income Opportunities Fund - Name of Applicant**' to:

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

Or

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

If you are paying by direct debit, we require you to complete and sign the Direct Debit section of the Application Form. This provides us with the authority to debit your account. Please ensure you have read the terms of the Direct Debit Service Agreement which follows in Section 9 of the 'Additional Information to the Product Disclosure Statement' available at [www.gsfm.com.au](http://www.gsfm.com.au). It may take up to three business days for your application monies to clear from the date we issue a direct debit request to your bank. We will not issue units until your application monies have cleared. Direct debit requests can only be made from an Australian bank account.

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

Bank: National Australia Bank  
BSB: 082-057  
Account name: Payden Global Income Opportunities Fund  
Application Account  
Account number: 92-940-1006

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.

### Cooling off period

If you are a retail investor (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 a wrap account or master trust. You should seek advice from your financial adviser or IPDS operator about the cooling off rights (if any) that might apply to your investment in your IDPS.

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

## Complaints resolution

We have procedures in place to handle any enquiries or complaints from you as quickly and smoothly as possible. If you have a complaint or enquiry, please call Mainstream Fund Services on 1300 133 451 or email [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.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 for 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: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

## 9. OTHER 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 [www.gsfm.com.au](http://www.gsfm.com.au).

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

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

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

### Related party transactions and conflicts of interests

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

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 Payden & Rygel 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's and Payden & Rygel's conflicts of interest policies.

### Terms used in this PDS:

'**Additional Information to the Product Disclosure Statement**' means the document of that name which can be obtained at [www.gsfm.com.au](http://www.gsfm.com.au)

'**Bank Account**' means an account with an Australian Authorised Deposit Taking Institution (which includes a building society and credit union).

'**broker**' means mFund accredited licensed broker.

'**business day**' means a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

'**Class A units**' means units in the Fund issued as Class A units.

'**Fund**' means the Payden Global Income Opportunities Fund ARSN 130 353 310.

'**Management Fee**' means the management fee payable to the Responsible Entity from time to time for managing the Fund. It includes costs such as Investment Manager fees, Responsible Entity fees, operating expenses and all other normal costs.

'**mFund**' means mFund Settlement Service.

'**Payden**', '**Payden & Rygel**' means the provider of the investment management services for the Fund.

'**P&R Limited**' means Payden & Rygel Global Limited.

'**Responsible Entity**' means GSFM Responsible Entity Services Limited ABN 48 129 256 104.