



# INVESTORS MUTUAL CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF

ARSN: 145 759 879

ASX CODE: IMLC

PRODUCT DISCLOSURE STATEMENT

DATE: 16 December 2024

ISSUED BY:

**INVESTORS MUTUAL LIMITED**

ABN 14 078 030 752 AFSL 229988

[iml.com.au](http://iml.com.au)

## IMPORTANT NOTICE

This Product Disclosure Statement ('PDS') is a summary of the significant information relating to the Investors Mutual Concentrated Australian Share Fund - Active ETF ('Quoted Class') (ARSN 145 759 879). The Quoted Class constitutes a class of Units in the Investors Mutual Concentrated Australian Share Fund, ARSN 145 759 879 ('Fund'). It is important that you consider the information in this PDS carefully before making a decision about this product. To obtain copies of this PDS, visit [iml.com.au](http://iml.com.au) or contact us on 1300 551 132.

We suggest that you keep this PDS for future reference.

The information contained in this PDS is general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this information for your situation before you decide to invest. To help you make an informed investment decision, you should consult a licensed financial adviser to obtain financial advice tailored to suit your personal circumstances before investing.

References in this PDS to "RE", "Responsible Entity", "we", "us" and "our" refer to Investors Mutual Limited or IML, as the responsible entity of the Fund and the issuer of this PDS.

Your investment does not represent deposits or other liabilities of IML. IML, its related bodies corporate and their respective officers, employees or agents do not in any way guarantee the capital value of your investment, or the performance of the Quoted Class or any other Class of Unit in the Fund. IML and its agents do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Quoted Class or of the Fund. An investment in the Quoted Class, or any other Class of Units in the Fund (including the Unquoted Class referenced below) is subject to investment risk. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The information in this PDS is subject to change from time-to-time. Information that is not materially adverse information can be updated by the Responsible Entity. Updated information can be obtained through the Fund's website, [iml.com.au](http://iml.com.au). Investors may request a paper copy of any updated information at any time, free of charge.

This PDS relates to the issue of Units in the Quoted Class of the Fund which are quoted on the ASX. The Units in the Quoted Class have been admitted by the ASX to trading status under the AQUA Rules framework. As at the date of this PDS, the Units are quoted on the ASX. The Quoted Class Units are quoted under the AQUA Rules, not the ASX Listing Rules. The AQUA Rules are accessible at [asx.com.au](http://asx.com.au).

There is a separate class of Units in the Fund that are not quoted ('Unquoted Class'). You cannot invest in Units in the Unquoted Class by relying on this PDS. If you wish to invest in the Unquoted Class of Units, please visit [iml.com.au](http://iml.com.au) or contact us on 1300 551 132 to obtain a copy of the PDS relating to Units in the Unquoted Class.

A copy of this document has been lodged with the Australian Securities & Investments Commission ('ASIC'). ASIC takes no responsibility for the content of this document.

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# 1. KEY INFORMATION SUMMARY

## ABOUT INVESTORS MUTUAL

### Investors Mutual Limited

Investors Mutual Limited ABN 14 078 030 752 ('IML', 'Responsible Entity', 'RE', 'we', 'our', 'us') is the investment manager and responsible entity of the Investors Mutual Concentrated Australian Share Fund ('Fund'). The Responsible Entity is the issuer of units in the Investors Mutual Concentrated Australian Share Fund - Active ETF ('Quoted Class') offered under this PDS and has prepared this PDS. Unless otherwise stated, references to the Fund in this PDS relates to the Quoted Class. The Responsible Entity is responsible for the administration, operation and management of the Fund and setting the Fund's investment policy and objectives. The Responsible Entity holds Australian Financial Services License (AFSL) No. 229988, which includes an authorisation to operate registered managed investment schemes. IML is a specialist Australian equities fund manager, established in 1998. IML's conservative, quality and value investment style driven by deep fundamental research aims to deliver attractive long-term returns for our clients, with both capital growth and income, at lower volatility than the market. IML is an affiliate of Natixis Investment Managers.

### Investors Mutual Concentrated Australian Share Fund - Active ETF

IML does not guarantee the performance of the Fund or the return of capital or income. Your investment in the Fund is subject to risk. This could involve delays in the processing of redemptions and loss of income or the principal invested.

Please refer to 'The Investors Mutual Concentrated Australian Share Fund - Active ETF' on page 9 for more details.

## THE INVESTORS MUTUAL CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF

|  |  |
|--|--|
| <b>Fund name</b>                           | Investors Mutual Concentrated Australian Share Fund - Active ETF   |
| <b>ASX Code</b>                            | IMLC   |
| <b>ARSN</b>                                | 145 759 879  |
| <b>Responsible Entity</b>                  | Investors Mutual Limited ABN 14 078 030 752 AFSL 229988<br>Level 24, 25 Bligh Street Sydney NSW 2000 Australia   |
| <b>Investment Manager</b>                  | Investors Mutual Limited   |
| <b>Custodian and Administrator</b>         | Citigroup Pty Ltd (CPL)  |
| <b>About the Fund and the Quoted Class</b> | <p>The Fund is a registered managed investment scheme. The Fund aims to outperform the S&amp;P/ASX 300 Accumulation Index (after fees and expenses and before taxes) on a rolling four-year basis.</p> <p>IML has an active, “bottom-up” approach to identifying, researching and valuing quality companies. Our approach is systematic, disciplined and focuses on finding companies that meet our quality criteria and then determining an appropriate valuation for those companies. The Fund will usually hold a minimum of 20 securities.</p> <p>The Fund is designed for investors with a minimum four-to-five-year time horizon and aims to provide attractive investment opportunities for investors seeking medium to long-term capital growth with income.</p> <p>The Units offered under this PDS are quoted on the ASX pursuant to AQUA Rules (<b>‘Quoted Class’</b>). There is another class of Units in the Fund which are not quoted (<b>‘Unquoted Class’</b>). A PDS relating to the offer of Units in the Unquoted Class can be obtained by contacting IML. For more information on the Fund’s investments and investment strategy, see pages 9-10.</p> |
| <b>Investment objective</b>                | The Fund aims to outperform the S&P/ASX 300 Accumulation Index (after fees and expenses and before taxes) on a rolling four-year basis.  |
| <b>Significant benefits</b>                | <p>Investing in the Quoted Class Units in the Fund offers investors a range of benefits, including:</p> <ul style="list-style-type: none"> <li>• the ability to trade Units on the ASX during normal ASX trading hours;</li> <li>• the ability to track the performance of the Units on the ASX;</li> <li>• having your money managed by IML’s investment professionals who have access to investment techniques that may not be available to all investors;</li> <li>• an active, “bottom-up” approach to identifying, researching and valuing quality companies;</li> <li>• accessing investment opportunities and markets that may not be accessible to all investors;</li> <li>• in the event that the Quoted Class Units are not able to be traded on the ASX and the Fund has not become illiquid under exceptional circumstances (e.g. market crash or major crisis), you can apply to withdraw your investment on any Business Day; and</li> <li>• being able to take advantage of fund managers being able to usually transact at a lower cost than individual investors.</li> </ul>  |
| <b>Risk Level</b>                          | This Fund is considered to be a medium to high-risk investment. The Fund aims to outperform the S&P/ASX 300 Accumulation Index (after fees and expenses and before taxes) on a rolling four-year basis.  |
| <b>Risks</b>                               | <p>All investments are subject to risk.</p> <p>The significant risks associated with the Fund and in holding Quoted Class Units in the Fund are described in section 5 on pages 12-14 of this PDS.</p>   |

|  |   |
|--|---|
| <b>Net asset value</b>                 | <p>Under normal market conditions, the net asset value ('NAV') of the Fund is calculated on each Business Day in accordance with the Fund's Constitution. In abnormal market conditions, the NAV will be calculated and published when the Responsible Entity determines in its discretion that the published NAV accurately reflects the NAV at the relevant time.</p> <p>The NAV per Unit is calculated by dividing the NAV of the Fund by the number of Units on issue in the Fund. An indicative NAV per Quoted Class Unit ('iNAV') will be published by the Fund throughout the ASX Trading Day.</p> |
| <b>Distributions</b>                   | <p>The Fund generally declares distributions on a semi-annual basis as at the end of June and December.</p> <p>For more information on Distributions, see page 16.</p>  |
| <b>Entering and exiting the Fund</b>   | <p>In respect of the Quoted Class, Investors can enter and exit the Fund by buying and selling Quoted Class Units on the ASX in the same way as other ASX quoted securities. The price at which Investors enter and exit the Fund will be the price at which they buy or sell the Units on the ASX. You should be aware that holders of Units in the Quoted Class will only have a very limited ability to redeem their Quoted Class Units directly with the Responsible Entity – see page 15.</p>  |
| <b>Market liquidity</b>                | <p>Investors can buy Quoted Class Units from, and sell Units to, other investors in the secondary market in the same way as other ASX quoted securities.</p> <p>The Responsible Entity, on behalf of the Quoted Class, may in its discretion provide liquidity to investors on the ASX by acting as a buyer and seller of Quoted Class Units in the Fund.</p> <p>The Responsible Entity has appointed a market participant to act as its agent to execute its market making activities ('Market Making Agent').</p>   |
| <b>Fees and other costs</b>            | <p>A Management fee of 0.993% p.a. of the net asset value of the Quoted Class (inclusive of the net effect of GST). Other fees and costs, including a performance fee, may also apply from time to time. For more information on Fees and other costs of the Fund, see section 7 on pages 17-23.</p>  |
| <b>Cooling off &amp; Complaints</b>    | <p>Cooling off rights do not apply to the Quoted Class on the basis that Units are traded on the ASX under the AQUA Rules. A complaints handling process has been established by the Responsible Entity. For more information on complaints, see page 28.</p>   |
| <b>Transaction confirmation</b>        | <p>Investors buying or selling Quoted Class Units in the Fund on the ASX will receive transaction confirmations from their stockbroker or platform.</p>   |
| <b>General information and updates</b> | <p>Further information, including any updates issued by the Responsible Entity and other statutory reports, can be found at <a href="http://iml.com.au">iml.com.au</a>.</p>   |

## UNIT REGISTRY CONTACT DETAILS

|                  |   |
|------------------|---|
| <b>Telephone</b> | 1300 880 467  |
| <b>Email</b>     | IMLC@linkmarketservices.com.au                            |
| <b>Address</b>   | <p>Level 12<br/>680 George Street<br/>Sydney NSW 2000</p> |

## 2. ABOUT AQUA RULES AND CHESS

The Units in the Quoted Class have been admitted to trading status by the ASX under the AQUA Rules framework. The Units are quoted under the AQUA Rules, not the ASX Listing Rules. The AQUA Rules are accessible at [asx.com.au](http://asx.com.au)

The following table sets out the key differences between the ASX Listing Rules and the AQUA Rules.

| Requirement           | ASX Listing Rules   | AQUA Rules   |
|-----------------------|---|--|
| Continuous disclosure | Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001 (Cth) ('Corporations Act'). | <p>Issuers of products quoted under the AQUA Rules <b>are not subject</b> to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>The Responsible Entity will comply with the disclosure requirements in section 675 of the Corporations Act. This means that the Responsible Entity will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Quoted Class Units, provided that such information has not already been included in this PDS (as supplemented or amended). The Responsible Entity will publish such information on the ASX market announcements platform and on IML's website at <a href="http://iml.com.au">iml.com.au</a> at the same time as it is disclosed to ASIC.</p> <p>Under AQUA Rule 10A.4, the Responsible Entity must also disclose:</p> <ul style="list-style-type: none"> <li>• information about the NAV of the Fund daily;</li> <li>• information about redemptions from the Fund;</li> <li>• information about distributions paid in relation to the Fund;</li> <li>• any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and</li> <li>• any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules.</li> </ul> <p>In addition, under the AQUA Rule 10A.6.3 the Responsible Entity must immediately notify the ASX of any information the non-disclosure of which may lead to the establishment of a false market in the Quoted Class Units or which would be likely to materially affect the price of the Quoted Class Units.</p> |

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| <b>Periodic disclosure</b>                              | Issuers <b>are required</b> to disclose half-yearly and annual financial information and reports to the ASX market announcements platform.   | Issuers of products quoted under the AQUA Rules <b>are not required</b> to disclose half-yearly or annual financial information or reports to the ASX market announcements platform.<br>The Responsible Entity is required to lodge financial information and reports in respect of the Fund with ASIC under Chapter 2M of the Corporations Act.  |
| <b>Corporate governance</b>                             | Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' shareholdings. | Although the Quoted Class Units are quoted under the AQUA Rules, neither the Fund nor the Responsible Entity itself are listed on the ASX and therefore they are not subject to certain corporate governance requirements.<br>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act, and with section 601FM of the Corporations Act including that the Responsible Entity may be removed by an extraordinary resolution of members on which the Responsible Entity would not be entitled to vote. |
| <b>Related party transactions</b>                       | Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.  | Chapter 10 of the ASX Listing Rules <b>does not apply</b> to AQUA Rules quoted products. The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.   |
| <b>Auditor rotation obligations</b>                     | Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.   | Issuers of products quoted under the AQUA Rules <b>are not subject</b> to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor has been appointed by IML to audit the financial statements and compliance plan of the Fund.   |
| <b>Investor diversification and spread requirements</b> | There are requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size).  | These requirements do not apply to AQUA Product issuers. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product issuer must ensure a reasonable bid and volume is maintained for the AQUA Product on the ASX except in permitted circumstances or have in place other arrangements which meet ASX's requirements for providing liquidity, generally through the appointment of a Market Making Agent.   |

## About CHES

The Unit Registry for the Quoted Class participates in the Clearing House Electronic Sub-register System ('CHES'). CHES is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHES on behalf of IML.

IML will not issue Investors with certificates in respect of their Quoted Class Units. Instead, when Investors purchase Units on the ASX they will receive a holding statement from the Unit Registry which will set out the number of Quoted Class Units they hold. The holding statement will specify the "Holder Identification Number" or "Securityholder Reference Number" allocated by CHES.

Subject to ASX Operating Rules and ASX Listing Rules, IML may decline to register a purchaser of a Unit or Units.



### 3. THE INVESTORS MUTUAL CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF

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| <b>The Fund's investment objective</b>                 | The Fund aims to outperform the S&P/ASX 300 Accumulation Index (after fees and expenses and before taxes) on a rolling four-year basis.  |
| <b>The Fund's investments</b>                          | <p>The Fund invests in a concentrated portfolio of quality ASX listed Australian shares, where these shares are identified by our investment team as being undervalued.</p> <p>The Fund will generally hold a minimum of 20 different securities. The main investments of the Fund may include a combination of:</p> <ul style="list-style-type: none"> <li>• securities listed on the ASX. This may include companies with operations outside Australia (including dual listed securities) but that are listed on the ASX;</li> <li>• cash (and cash equivalents such as other investment grade interest-bearing securities); and</li> <li>• derivatives (bought and sold options), as described below.</li> </ul> <p>The Fund may use options, futures and other derivatives to manage risk, to gain exposure to particular securities and markets or to enhance the returns of the underlying physical investments. Derivatives are not used speculatively or for the purposes of gearing the Fund. The Fund will not borrow.</p> |
| <b>Asset classes<sup>1</sup> and allocation ranges</b> | <p>Cash<sup>2</sup>: 0-20%</p> <p>Australian Equities<sup>3</sup>: 80-100%</p>   |
| <b>Minimum suggested investment timeframe</b>          | An investment horizon of four to five years.   |
| <b>The Fund's income distribution</b>                  | The Fund generally declares distributions on a semi-annual basis as at the end of June and December.   |
| <b>Date the Fund was established</b>                   | 26 August 2010   |
| <b>Date the Quoted Class was established</b>           | 26 July 2023   |

Note 1: The investment guidelines provide an indication of the intended holdings in the Fund and may be higher or lower.

Note 2: Includes cash equivalents such as other investment grade interest bearing securities.

Note 3: In addition to securities listed on the ASX in Australia, the Fund may also invest in derivatives and hybrid securities such as preference shares. The Fund may invest up to 5% of the Fund's assets in unlisted securities, provided that at the time of the investment, IML has reasonable grounds to believe that the relevant company's securities will be listed on a regulated exchange within 12 months of the investment by the Fund. Please note that securities which IML expects will list on a regulated exchange may not be granted official quotation by that exchange, as the listing and quotation of securities are within the exchange's complete discretion. The Fund may gain exposure to investments through other registered managed investment schemes. Where those schemes are also managed by IML, you will not be charged additional management fees to the extent that those fees relate to an investment on behalf of the Fund.

## 4. HOW WE INVEST YOUR MONEY

When making an investment decision you should consider the likely investment return, the risk and your own investment timeframe.

As a guideline, the Fund will usually hold a minimum of 20 different securities. The main investments of the Fund may include a combination of:

- securities listed on the ASX. This may include companies with operations outside Australia (including dual listed securities) but are listed on the ASX;
- cash (and cash equivalents such as other investment grade interest-bearing securities); and
- derivatives (bought and sold options), as described below.

IML may use options, futures and other derivatives to manage risk, to gain exposure to particular securities and markets or to enhance the returns of the underlying physical investments. Derivatives are not used speculatively or for the purposes of gearing the Fund. The Fund will not borrow.

The Fund is designed for investors with a four-to-five-year time horizon.

### INVESTMENT PHILOSOPHY

IML's investment philosophy is based on a belief that a company's share price will reflect its underlying value in the long-term. We believe that markets are not fully efficient and there will be times that a company's share price will not reflect what we believe to be that company's true value.

Such situations provide our investment team with the opportunity to build long-term portfolio positions in quality companies at attractive valuations. We are looking to invest in companies with four clear quality characteristics:

- competitive advantage.
- recurring earnings
- capable management
- the ability to grow over time

In addition to this, we only invest in companies that we believe are reasonably priced.

### INVESTMENT STYLE

IML has an active, "bottom-up" approach to identifying, researching and valuing quality companies. Our approach is systematic, disciplined and focuses on finding companies that meet our quality criteria and then determining an appropriate valuation for those companies.

We believe that the underlying value of a company is best determined by quantifying and valuing the sustainability, quality and growth potential of a company's future earnings stream. The earnings stream from a company is important to us because it enables both the payment of dividends to shareholders and the reinvestment into the business for future growth.

IML conducts detailed in-house research and valuation as part of its overall investment process. Individual investments across all allowable asset classes are selected based upon our opinion of their ability to fulfil all or part of the objectives of the Fund. As such, we seek investments that we believe offer one or more of the following characteristics:

- provide an absolute real return over the long-term to investors;
- will pay a regular income stream; and
- are less volatile (risky) than the market in which they trade and therefore should minimise the impact of a falling market on the value of your investment.

As markets move through different cycles some asset classes will be more attractive in their ability to deliver on the objectives of the Fund. The overall makeup of the investments of the Fund will therefore change from time to time to reflect this relative valuation. This is the approach we will adopt in order to manage the asset allocation of the Fund.

### LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

In selecting, realising or retaining investments for the Fund, IML takes into account the expected return and performance of the individual investments. In doing so IML may make an assessment based on environmental, social and ethical considerations as part of our quality scoring process and company engagement practice as described on page 11. IML is also a signatory of the UN Principles for Responsible Investment.

### CHANGES TO FUND DETAILS

Subject to law and the Fund constitution, the RE has the right to make changes to the Fund at any time and in some cases without giving prior notice. Changes may include terminating the Fund or changing the Fund's investment objective, benchmark, asset classes, asset allocation ranges and investment strategy.

If there is a material change, the RE will inform investors via [iml.com.au](http://iml.com.au) or as otherwise required by law.

# 5. ENVIRONMENTAL, SOCIAL & GOVERNANCE

IML recognises that environmental, social and governance (ESG) issues can have a significant impact, either positive or negative, on company performance and investment returns. We believe that we have a fiduciary duty to act in our clients' best interests, and that integrating ESG considerations into our investment decisions, as well as engaging with companies that we invest in to positively influence their behaviour, are key components of exercising this duty.

## INCORPORATING RESPONSIBLE INVESTMENT AND ESG CONSIDERATIONS INTO OUR INVESTMENTS

IML follows the principles of responsible investment (RI). We have a long history of active share ownership, engaging with companies on their corporate governance in order to improve their financial performance, and so improving investment outcomes. We formalised the importance of RI to IML in 2008 when we became a signatory to the United Nations Principles of Responsible Investment (UNPRI), the world's leading proponent of responsible investment.

The main ways IML incorporates responsible investment and ESG into its investment operations are described below.

## INVESTMENT DECISIONS

We incorporate ESG issues into our research and investment decision making as part of our quality and valuation frameworks. We score each company from 1 (low) to 5 (high) on 13 different quality factors, including Environmental, Social and Governance issues.

Our quality scores are derived from a combination of our fundamental research, company reports and engagement, and information from third party sources, which may include customers, suppliers and providers of ESG market data.

In making our investment decisions we weigh up quality scores and the company's valuation.

There may be a risk that our proprietary scores do not capture all ESG metrics, or apply higher importance to some data than other relevant metrics, resulting in our interpretation of scores differing from individual investor or market views.

## ENGAGEMENT WITH COMPANIES

We use our engagement with companies that we invest in, or are considering investing in, to encourage better corporate behaviour. When we have major concerns we initially discuss it with the company directly. If we are unsatisfied with their response, we write directly to the company's board of directors. We also use proxy voting with the aim of maximising returns for our clients through improved business and ESG outcomes.

Visit the ESG section of the IML website for further information.

## 6. RISKS OF INVESTING IN THE QUOTED CLASS OF THE FUND

All investments carry risk and generally go up as well as down in value. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with the highest potential long-term return (such as shares) may also have the highest risk of losing money in the short-term.

When investing, it is important to understand that:

- the value of your investment will go up and down;
- investment returns will vary and may differ from past returns;
- the performance of the Quoted Class or the return of capital is not guaranteed – this means you could receive back less than you invested and there is no guarantee that you will receive any income distributions; and

- laws affecting registered managed investment schemes may change in the future.

The appropriate level of risk for you will depend on a range of factors including your age, investment timeframe, financial goals, where other parts of your wealth are invested, your risk tolerance and how comfortable you are with potential fluctuations in the value of your investment. As the RE, we are not able to remove all the risks associated with an investment in the Quoted Class, however we employ a range of investment and risk management strategies to identify, evaluate and manage these risks.

The significant risks for the Fund, including the Quoted Class of the Fund, are summarised below.

| Risk                             | Definition  |
|----------------------------------|---|
| <b>Derivatives risk</b>          | Derivatives risks include illiquidity, the value of derivative positions not moving in line with the movement in the underlying asset, and the Fund being unable to meet payment obligations as they arise in relation to derivatives contracts.  |
| <b>Price risk</b>                | The price at which the Quoted Class Units may trade on the ASX may differ materially from the NAV per Unit and the iNAV. The trading price of Quoted Class Units is dependent on a number of factors including the demand for and supply of Units, investor confidence, the availability of market maker services during the course of the trading day, and the bid-offer spread applied to Units.  |
| <b>ASX liquidity risk</b>        | The liquidity of trading in the Units in the Quoted Class on the ASX may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the ASX during any period that the ASX suspends trading of Units in the Quoted Class. Further, where trading in the Units on the ASX has been suspended for five consecutive Business Days, the availability of the Fund's off-market redemption facility will be subject to the provisions of its Constitution. |
| <b>Investment structure risk</b> | There is a risk that the Quoted Class may be removed from quotation by the ASX or terminated. ASX may impose certain requirements for the continued quotation of securities on the ASX under the AQUA Rules. In addition, ASX may change the quotation requirements.  |
| <b>iNAV risk</b>                 | The iNAV published in respect of the Quoted Class is indicative only and might not be up to date or might not accurately reflect the underlying value of the Fund.  |
| <b>Withdrawal risk</b>           | There may be circumstances where your ability to withdraw from the Fund is restricted. The Responsible Entity may suspend withdrawals if we determine that this is in the best interests of all unit holders. If the Fund ceases to be liquid and ceases to be actively traded on the ASX, you can only withdraw or sell your Quoted Class Units in the Fund if the Responsible Entity makes a withdrawal offer.  |

|                                 |  |
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| <b>Operational risk</b>         | <p>The following risks may adversely affect the Fund and its performance: the Fund could terminate, its features could change, Investors Mutual Limited may not be able to continue to act as Responsible Entity; third party service providers engaged by Investors Mutual Limited for the Fund may not properly perform their obligations and duties to the Responsible Entity; or circumstances beyond the reasonable control of the Responsible Entity may occur, such as failure of technology or infrastructure, or natural disasters.</p> <p>The Quoted Class of the Fund is also governed by the rules of the ASX and is exposed to risks of quotation on that platform, including such things as the platform or settlements process being delayed or failing. ASX could suspend or remove the Units from quotation on the ASX as described below.</p>  |
| <b>Market Making Agent risk</b> | <p>The Responsible Entity has appointed a Market Making Agent to execute the Fund's market making activities in respect of the Quoted Class and to provide settlement services on behalf of the Fund. As the Market Making Agent performs its role as agent on behalf of the Fund, any profit or loss which occurs as a result of the Market Making Agent's actions is incurred by the Fund and will be quarantined to the Quoted Class.</p> <p>There is a risk that the Market Making Agent could make an error in executing the Fund's market making activities. Additionally, the Fund may enter into transactions to acquire or to liquidate assets in anticipation of the Market Making Agent fulfilling its settlement processing obligations in a correct and timely manner. If the Market Making Agent does not fulfil its settlement processing obligations in a correct and timely manner, the Quoted Class of the Fund could suffer a loss.</p>   |
| <b>Market making risk</b>       | <p>The Responsible Entity acts as market maker in the Units on behalf of the Fund through the appointment of the Market Making Agent as an agent of the Responsible Entity. The Quoted Class of the Fund will bear the risk of the market making activities undertaken by the Responsible Entity on its behalf. The Responsible Entity may not always be able to make a market in times of uncertainty about values, due to its duty to act in the best interests of members. There is a risk that the Quoted Class of the Fund could suffer a material loss as a result of these market making activities which may adversely affect the NAV of the Fund. Such a loss could be caused by either an error in the execution of market making activities or in the price at which Units are transacted on the ASX. In order to mitigate this risk, the Responsible Entity has the discretion to increase the spread at which it makes a market and also has the right to cease making a market subject to its obligations under the AQUA Rules and ASX Operating Rules. If the market becomes unstable, the Responsible Entity reserves the right to cease market making activities.</p> |
| <b>Fund risk</b>                | <p>Risks particular to the Fund include the risk that it could be wound up, the fees and expenses could change, IML could be replaced as responsible entity or its portfolio managers could change. You could receive back less than you invested and there is no guarantee that you will receive any income. If there is an interruption of regular trading in the market for an asset of the Fund, there may be delays in processing withdrawal requests. The laws affecting registered managed investment schemes may change in the future.</p> <p>The Responsible Entity may elect, in accordance with the Constitution and Corporations Act, to terminate the Fund or the Quoted Class for any reason including if Quoted Class Units cease to be quoted on the ASX. Information about the AQUA Rules applicable to quotation of Units in the Fund on the ASX is set out in the 'About AQUA Rules' and 'About CHESS' section of this PDS.</p>   |
| <b>Common Stock Risk</b>        | <p>Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of common stockholders are subordinate to all other claims on a company's assets including, debt holders and preferred stockholders; therefore, the Fund could lose money if a company in which it invests becomes financially distressed</p>   |

|                                   |   |
|-----------------------------------|---|
| <b>Concentration risk</b>         | The Fund's investment strategy tends to be invested in a relatively small number of stocks, generally a minimum of 20 securities. As a result, the appreciation or depreciation of any one security held by the Fund will have a greater impact on the value of a client's portfolio than it would if the client invested in a larger number of stocks. Thus, a concentrated investment strategy tends to be more susceptible to economic, political or regulatory events than a more diversified investment strategy. Although that strategy has the potential to generate attractive returns over time, it also increases the volatility of the client's portfolio.   |
| <b>NAV Risk</b>                   | There is a risk that the NAV of the Fund will fluctuate. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues.  |
| <b>Individual investment risk</b> | Individual investments made by the Fund will fluctuate in value, meaning that on occasion they may fall in value. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial or operating circumstances and may also face broader influences such as political and industry changes. Unlisted securities are considerably less liquid than listed securities.  |
| <b>Interest rate risk</b>         | Changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns. For example, hybrid securities, cash and other interest-bearing securities are very sensitive to fluctuations in interest rates.  |
| <b>Liquidity risk</b>             | As the Fund will invest in securities listed on the Australian Securities Exchange (ASX) in Australia, if there is an interruption of regular trading in a market or for a particular asset of the Fund (or if official quotation of stocks is denied), there may be delays in processing withdrawal requests.  |
| <b>Market risk</b>                | The Fund is subject to market risk which is the risk that securities markets and individual securities will increase or decrease in value. Market risk applies to every market and every security. Security prices may fluctuate widely over short or extended periods in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment. In addition, securities markets tend to move in cycles. If there is a general decline in the securities markets, it is possible your investment may lose value regardless of the individual results of the companies in which the Fund invests. |
| <b>Portfolio management risk</b>  | The Fund's performance depends on the expertise and investment decisions of IML. Its opinion about the intrinsic worth of a company or security may be incorrect, the Fund's investment objective may not be achieved, and the market may continue to undervalue the securities held by the Fund. Active management of the Fund's assets by IML seeks to reduce this risk.  |
| <b>Performance Risk</b>           | The performance of the Fund or the return of capital is not guaranteed. The value of your investment in the Fund will go up and down with the value of the Fund's assets. The level of returns will vary and future returns may differ from past returns.   |
| <b>Sector or industry risk</b>    | If the Fund has invested a higher percentage of its total assets in a particular sector or industry, changes affecting that sector or industry, or the perception of that sector or industry, may have a significant impact on the performance of the Fund's overall portfolio. Individual sectors or industries may be more volatile, and may perform differently, than the broader market.  |
| <b>Regulatory risk</b>            | There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.  |

# 7. INVESTING IN THE INVESTORS MUTUAL CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF

## UNITS, NAV PER UNIT AND INAV

Units in the Quoted Class are able to be traded on the ASX in a similar fashion to other securities traded on the ASX, subject to liquidity and assuming the Units are not suspended from trading.

The NAV of the Fund will normally be calculated on each Business Day and the last available NAV per Unit in the Quoted Class will be published daily on IML's website at [iml.com.au](http://iml.com.au) prior to the commencement of trading on the ASX.

The Responsible Entity has engaged an agent to calculate and disseminate an indicative NAV per Quoted Class Unit ('iNAV') which will be published by the Fund on IML's website at [iml.com.au](http://iml.com.au) throughout the ASX Trading Day. The iNAV reflects the real time movements in securities and currencies during the ASX Trading Day. No assurance can be given that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity nor its appointed agent shall be liable to any person who relies on the iNAV.

The price at which Units trade on the ASX may not reflect either the NAV per Unit or the iNAV. See "Price Risks" and "NAV Risk" in the Risk Section on pages 12-14.

## INVESTING IN THE INVESTORS MUTUAL CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF ON THE ASX

Investors can invest in the Quoted Class of the Fund by purchasing Units via their share trading platform or stockbroker. Investors do not need to complete an application form and they will settle the purchase of their Units in the same way they would settle purchases of listed securities via the ASX CHESS settlement service.

There is no minimum number of Units investors can buy on the ASX. An investor's entry price into the Quoted Class will be the price at which they have purchased Units on the ASX.

Consistent with other securities quoted on the ASX, Investors do not have cooling-off rights in respect of Quoted Class Units purchased on the ASX which are quoted under the AQUA Rules.

## WITHDRAWING YOUR INVESTMENT ON THE ASX

Investors can withdraw from the Quoted Class of the Fund by selling Units on the ASX via their share trading platform or stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the ASX CHESS settlement service.

There is no minimum number of Quoted Class Units investors can sell on the ASX. An investor's exit price will be the price at which they have sold Units on the ASX.

## OFF-MARKET WITHDRAWAL RIGHTS

You should be aware that investors in Quoted Class Units will only have limited off-market withdrawal rights. The Responsible Entity has discretion in relation to whether to accept any off-market withdrawal request. In particular, in the event that trading in the Fund's Quoted Class Units on the ASX has been suspended for five consecutive Business Days, Investors may be able to apply to the Responsible Entity directly to make an off-market withdrawal of their investment from the Fund. Investors can request a withdrawal form by contacting the Responsible Entity.

The off-market withdrawal process applies only when the Fund is 'liquid' within the meaning given to that term in the Corporations Act. Where the Fund ceases to be liquid, Units may only be withdrawn pursuant to a withdrawal offer made to all investors in the Fund in accordance with the Constitution and the Corporations Act. The Responsible Entity is not obliged to make such offers.

There may be other circumstances where off-market withdrawals from the Fund are suspended and investors may have to wait a period of time before they can make a withdrawal.

Off-market withdrawals from the Fund may be suspended including but not limited to where:

- it is impracticable for the Responsible Entity, or the Responsible Entity is unable, to calculate the NAV of the Fund, for example, because of financial market disruptions or closures;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in the Responsible Entity's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of Units held; or
- the Responsible Entity reasonably considers it would be in the best interests of investors, or it is otherwise permitted by law.

For more information, see Withdrawal risk on page 12.

## ASX LIQUIDITY

Investors can buy Quoted Class Units from and sell Quoted Class Units to other investors in the secondary market in the same way as other ASX quoted securities.

The Responsible Entity, on behalf of the Quoted Class, may provide liquidity to investors on the ASX by acting as a buyer and seller of Quoted Class Units. At the end of each ASX Trading Day, the Responsible Entity will create or cancel Units of the Quoted Class by applying for or redeeming its net position in Units bought or sold on the ASX. The Responsible Entity has appointed a market participant to act as its agent to transact and facilitate settlement on its behalf.

The price at which the Responsible Entity may buy or sell Quoted Class Units in the Fund will reflect the Responsible Entity's view of the NAV per Unit (as referenced by the iNAV in the case of the Quoted Class of Units), market conditions and supply and demand for such Units during the ASX Trading Day. The difference between the price at which the Responsible Entity is willing to buy Quoted Class Units and sell Units at any time is known as the "bid-offer spread". The Quoted Class' monthly average bid-offer spread is reported in the ASX Investment Products Monthly Update, which can be viewed on the ASX's website at [asx.com.au](http://asx.com.au). The Quoted Class of the Fund will bear the risk of the market making activities undertaken by the Responsible Entity on the Fund's behalf, which may result in either a cost or a benefit to the Quoted Class. See risks associated with market making and Market Making Agent on page 13.

## DISTRIBUTIONS

The Fund generally declares distributions on a semi-annual basis as at the end of June and December. The Responsible Entity may decide to make an interim distribution out of distributable income accruing during any interim period and will inform investors accordingly. Distributions can be made up of income as well as net realised capital gains on the sale of assets.

Each investor's distribution amount is calculated by dividing the total amount of the distribution by the total number of Quoted Class Units on issue at the distribution calculation date, and multiplying the result by the number of Units held by each investor on that date. You can elect to have your distributions reinvested in further Quoted Class Units in the Fund, or paid to you by direct credit to your nominated bank account. If you do not make an election, the Responsible Entity will reinvest your distribution payment at NAV less the distribution per unit payable.

Units issued for reinvested distributions will be priced using the NAV, calculated as at the end of the relevant distribution period. This means that no transaction costs will be applied.

Where the result of applying the distribution reinvestment methodology is a fraction:

- whole units will be issued to you (if your units are held on the issuer sponsored sub-register); or
- that fraction will be rounded down to the nearest whole number and the remaining distribution not applied will be carried forward as a credit balance on your account. No interest will be payable on the credit balance (if your units are held on a HIN).

## DISTRIBUTION REINVESTMENT PLAN

You can elect to have your distributions from the Fund reinvested in further Quoted Class Units of the Fund, or paid to you by direct credit to your nominated bank account. You will be asked to elect whether you wish to participate in the distribution reinvestment plan by having your distribution reinvested. Please note:

- if you elect to participate in the Plan, then the Responsible Entity will reinvest your distribution payment at NAV in the Quoted Class.
- If you elect not to participate in the Plan, then the distribution will be paid to your nominated bank account.
- If you do not elect to participate in the Plan and you do not provide your nominated bank account details, the Responsible Entity will deem you to have elected to participate in the Plan and will reinvest your distribution payment at NAV.

Investors who do not reside in Australia or New Zealand and do not provide bank account details, will (at IML's discretion) either receive the distribution by way of a cheque made out to the investor in AUD, or will have the distribution withheld. For additional information regarding distribution reinvestment, refer to the Distribution Reinvestment Plan available on the Fund's website [iml.com.au](http://iml.com.au).

The Units issued to you as part of a distribution will be allotted in accordance with the terms and conditions set out in the offer document.

## COMPULSORY REDEMPTION

The Responsible Entity may redeem some or all of an investor's Units in accordance with the Constitution or as permitted by law. As an example, this may occur where an investor breaches their obligations to the Responsible Entity (for example, where the Responsible Entity believes that the Units are held in breach of prohibitions contained within the Constitution) or where the Responsible Entity believes that the Units are held in circumstances which might result in a violation of an applicable law or regulation.



## 8. 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 investment / account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

This section shows fees and other costs which you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can use the Fees & Costs Summary to compare costs of this product with other managed investment schemes.

### FEES AND COSTS SUMMARY

| TYPE OF FEE OR COST <sup>1</sup>  | AMOUNT   | HOW AND WHEN PAID   |
|---|--|---|
| <b>Ongoing annual fees and costs</b>  |  |   |
| <b>Management fees and costs</b><br>The fees and costs for managing your investment <sup>2</sup>                            | 0.993% p.a. of the net assets of the Fund (inclusive of the net effect of GST) | This fee is calculated and accrued daily and is paid monthly in arrears to the RE from the assets of the Quoted Class Fund. This amount may be negotiated for wholesale investors <sup>3</sup>          |
| <b>Performance fees</b><br>Amounts deducted from your investment in relation to the performance of the product              | 0.00%  | This fee is calculated and accrued daily and is paid at the end of a Performance Fee Period to IML from the assets of the Fund. <sup>4</sup>  |
| <b>Transaction costs</b><br>The costs incurred by the scheme when buying or selling assets                                  | 0.00%  | Transaction costs are incurred when investors buy or sell Units in a Fund are also paid from the Fund's assets. Transaction costs are net of the bid-offer spread.                                      |
| <b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>          |  |   |
| <b>Establishment fee</b><br>The fee to open your investment   | Nil  | Not applicable  |
| <b>Contribution fee<sup>2</sup></b><br>The fee on each amount contributed to your investment                                | Nil  | Not applicable  |
| <b>Buy-sell spread</b><br>An amount deducted from your investment representing costs incurred in transactions by the scheme | Nil  | A buy/sell spread does not apply to an on market transaction. If an off-market transaction is available to investors, a buy/sell spread of 0.25% may be incurred on the issue, or redemption, of units. |

|   |                |                |
|---|----------------|----------------|
| <b>Withdrawal fee<sup>2</sup></b><br>The fee on each amount you take out of your investment | Nil            | Not applicable |
| <b>Exit fee<sup>2</sup></b><br>The fee to close your investment                             | Nil            | Not applicable |
| <b>Switching fee</b><br>The fee for changing investment options                             | Not applicable | Not applicable |

Note 1: Fees and costs include, if applicable, GST less any input tax credits (ITC) or reduced input tax credits (RITC). However, if the GST rate increases, or if the full amount of ITC or RITC is not available, the Fund's constitution allows us to recoup the extra amount out of the Fund.

Note 2: This fee typically includes an amount payable to an adviser, however the RE does not pay fees to advisers – Please refer to 'Adviser Remuneration and Service Fees' below.

Note 3: The amount of this fee may be negotiated for wholesale investors. Please refer to 'Negotiated Fees' below. In addition, the RE has decided to pay normal expenses out of its management fee entitlement, so it will only be reimbursed out of the assets of the Fund where the expenses are abnormal expenses.

Note 4: The performance fee is based on the actual performance of the Quoted Class for the period 11 months ended 30 June 2024.

## EXAMPLE OF ANNUAL FEES AND COSTS<sup>1</sup>

This table gives an example of how the ongoing annual fees and costs for this product 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                        |        | 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 | 0.993% | <b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$496.50 each year.   |
| PLUS Performance fees          | 0.00%  | <b>And</b> , you will be charged or have deducted from your investment \$0.00 in performance fees each year.   |
| PLUS Transaction costs         | 0.00%  | <b>And</b> , you will be charged or have deducted from your investment \$0.00 in transaction costs.  |
| EQUALS Cost of Fund            | 0.993% | 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 of:<br><b>\$496.50*.</b><br><b>What it costs you will depend on the fees you negotiate.</b> |

Note 1: Please note that this is an example only and does not take into account transaction costs, government charges or any movements in the investor's investment or distributions that may occur over the course of the year.

\* Additional fees and costs may apply. The above example assumes the balance of \$50,000 remains constant throughout the year and the additional contribution of \$5,000 was made on the last Business Day of the year. Any additional investments made will increase the portfolio balance on which the management fee costs are calculated. The example does not take into account the buy/sell spread nor any abnormal expense recoveries.

The RE will not charge any fees unless investors are notified in accordance with the information set out at 'Changes to Maximum Fees' below.

## ADDITIONAL EXPLANATION OF FEES AND COSTS ONGOING ANNUAL FEES AND COSTS

Broadly speaking, the ongoing annual fees and costs of the Fund (and in the Quoted Class) are calculated having regard to the formula below:

**Ongoing annual fees and costs** = Management fee and costs (including normal expenses and indirect costs) (see below)  
+ Performance fee (if any)  
+ Transaction costs (see below)

Ongoing annual fees and costs include the management fee and performance fee, if any, charged by the RE for overseeing the operations of the Fund and / or for providing access to the Fund's underlying investments. We will pay all normal expense recoveries out of the management fee, with the exception of any abnormal expense recoveries (such as the cost of unitholder meetings). Abnormal expenses are not generally incurred during the day-to-day running of the Fund. Further details about abnormal expenses are set out below.

The Management fees and costs also comprise an indirect cost component. Indirect costs are generally payable from the Fund's assets, rather than directly by you. Indirect costs do not include transaction costs (such as the buy / sell spread, to the extent that any such buy / sell spread is applicable).

| Fund  | Management Fees and Costs <sup>1</sup>   | Performance Fee  | Net Transaction costs <sup>2</sup> |
|---|--|--|------------------------------------|
| Investors Mutual Concentrated Australian Share Fund | 0.993% p.a. of the net asset value of the Fund (inclusive of net effect of GST). | 10.25% of investment returns made in excess of 2% p.a. above the Benchmark | 0.00%                              |

Note 1: The management fee covers normal expenses of the Fund, which are paid by the RE out of the management fee entitlement.

Note 2: The Fund's transaction costs (net of amounts recovered from the bid-offer spread) are based on the Quoted Class actual performance for the period 11 months ended 30 June 2024. Transaction costs for future years may differ. Details of any future changes to indirect costs will be provided on the website [iml.com.au](http://iml.com.au) where they are not otherwise required to be disclosed to investors under relevant law.

## MANAGEMENT FEES AND COSTS

The management fees and costs include the amounts payable for administering a managed investment scheme, amounts paid for investing in the assets of a managed investment scheme and other expenses and reimbursements in relation to a managed investment scheme.

The management fee for the Quoted Class of the Fund is set out in the table above. Management fees are calculated based on the NAV of the Quoted Class (inclusive of GST less any RITC entitlement).

Management fees and costs include indirect costs, being any amount that IML knows, or reasonably ought to know, or may reasonably estimate, has reduced or will reduce (directly or indirectly) the return on the Fund.

The RE also pays the normal expenses of the Fund (such as fund accounting, audit costs, unit registry costs, postage etc) out of its management fee entitlement, and will only seek to be reimbursed out of the Fund where such expenses are abnormal expenses. Whilst the RE does not currently recover normal expenses out of the assets of the Fund, the RE is however entitled to recover Quoted Class expenses from the Quoted Class, and provided the expenses are properly incurred, there is no limit to the amount of these that can be recovered.

## Performance Fee

IML is entitled to recover performance fees from the Fund. The Performance Fee is referable to the relevant class - that is, in the case of the Quoted Class, the Performance Fee will be calculated in respect of the performance of that class of Units. A Performance Fee is payable to IML if the performance of the Quoted Class exceeds the return of the Performance Hurdle for the Fund. It is not possible to estimate the actual Performance Fee payable in any given period, as IML cannot forecast what the performance of the Fund will be. You should note, however, that the Performance

Fee will be reflected in the management costs for the Fund for the relevant year. Information on current performance fees will be updated from time to time at [iml.com.au](http://iml.com.au).

| Details  | Investors Mutual Concentrated Australian Share Fund (IMCASF)                 |
|--|--|
| Performance Fee                                | 10.25%* of investment returns made in excess of 2% p.a. above the Benchmark. |
| Benchmark                                      | S&P / ASX 300 Accumulation Index   |
| Performance Hurdle                             | Benchmark plus 2% p.a.   |
| Maximum Performance Fee under the constitution | 20.50%*  |
| Performance Fee Period                         | Six months ending on 31 December and 30 June                                 |

\*These fees include, if applicable, GST less any RITC

## Calculation and accrual of Performance fees

Performance Fees are calculated and accrued daily on each business day on the following basis:

### Actual Performance

The percentage change in the Mid-Price (assuming distributions are reinvested) between the Business Day of the calculation and the previous Business Day of the calculation.

Mid-Price means:

$$\frac{\text{net asset value of the Quoted Class} - \text{accrued performance fee} + \text{distributions made}}{\text{number of units on issue in the Quoted Class}}$$

Performance Hurdle Movement means the percentage change in the Performance Hurdle between the current Business Day compared to the previous Business Day.

IML determines the difference between the Fund's Performance Hurdle Movement and the Actual Performance of the Quoted Class (expressed as a percentage) each Business Day. The difference (expressed as a percentage) for each Fund may be positive or negative, representing the outperformance or underperformance of the Quoted Class against the Performance Hurdle.

### Daily Performance Fee

The percentage of outperformance (or underperformance) for each Business Day will be multiplied by the NAV of the Quoted Class (excluding any accrued performance fee with an adjustment made for the net cashflow of the Business Day).

IML will then either add or subtract the Daily Performance Fee amount (as calculated above) to the accrued Performance Fee amount for the performance fee period up to the prior Business Day.

If the aggregate Performance Fee amount for the performance fee period up to the prior Business Days is positive, the aggregate Performance Fee amount is included as a liability of the Quoted Class and reflected in the daily calculation of application and redemption prices.

If the aggregate Performance Fee up to that Business Day is negative, this means that no Performance Fee amount will

be reflected in the unit price. Any negative brought forward aggregate performance fee will need to be offset against any positive performance fee that has been calculated on a daily basis.

### Calculation and payment at the end of a Performance Fee Period

The Performance Fee at the end of a Performance Fee Period (six months ending 31 December and 30 June) is the sum of the Daily Performance Fees accrued during the Performance Fee Period including any amounts carried over from previous Performance Fee Periods (if the Performance Fee was not paid at the end of previous Performance Fee Period).

For a performance fee to be payable the movement in the Quoted Class Actual Performance for the Performance Period has to be positive.

If the units on issue have decreased by 5% or more over a Performance Fee Period, IML may extinguish a proportion of the negative aggregate daily Performance Fee accrual to adjust for the percentage decrease of redemptions so that the negative aggregate daily Performance Fee accrual at the end of the Performance Fee Period is reduced by the same percentage (to 2 decimal places).

The table below details the scenarios for the calculation and payment at the end of the Performance Period.

| Possible Scenarios at the end of the Performance Fee Period   | Whether the Performance Fee is payable or not  |
|---|--|
| The Quoted Class Actual Performance has not outperformed the Performance Hurdle since the last performance fee period   | No performance fee is payable in the Quoted Class. Further, the negative aggregate performance figure is carried forward to the next period. |
| The Quoted Class Actual Performance for a performance fee period outperformed the Performance Hurdle since the last performance fee period, but the aggregate daily performance fee accrual is insufficient to offset prior periods of daily negative performance fee accruals.                 | No performance fee is payable in the Quoted Class. Further, the negative aggregate performance figure is carried forward to the next period. |
| The Quoted Class Actual Performance for a performance fee period outperformed the Performance Hurdle since the last performance fee period, but the Actual Performance for the period was negative.   | No performance fee is payable in the Quoted Class. The positive aggregate performance figure is carried forward to the next period.          |
| Any prior periods of negative carried forward aggregate daily performance fee accruals have been offset by the aggregate daily performance fee accrual being positive and the Quoted Class Actual Performance for the performance fee period is positive since the last performance fee period. | Performance fee is payable.  |

## Performance Fee scenarios

The following examples outline two scenarios of the effect of the Performance Fee. These are examples only. In practice, the actual investment balance of a unit holder will vary daily and the actual fees charged are based on the daily value of the fund, which fluctuates. These examples do not include transaction costs which are applicable to each application and redemption. Refer to 'Transaction Costs' for further information.

Assume that you are the only investor and you make an investment of \$100,000 in the Quoted Class of IMCASF on 1 July.

At this point, 100,000 units would be issued to you at \$1 each.

The Benchmark Index Return is 10% in this example.

Assume that the NAV of the Quoted Class increased to \$110,000 on 31 December. Assume you also received a \$5,000 distribution at the end of this period as well. To calculate the cum NAV per unit we add back the distribution, therefore the cum NAV of the Fund is now \$115,000. The cum NAV per unit is now \$1.15.

Let's assume the average NAV of the Quoted Class over the period was \$107,000.

The performance fee for the above example would be calculated in the following way for the period 1 July – 31 December:

| Description                             | Formula  | Example                     |        |
|---|--|-----------------------------|--------|
| Prior ex NAV per unit (high water mark) | NAV/No of Units Issued                                   | \$100,000/100,000           | \$1.00 |
| Current cum NAV per unit                | NAV/No of Units Issued                                   | (\$110,000+\$5,000)/100,000 | \$1.15 |
| Fund Return                             | Current NAV per unit / Prior NAV per unit ex Price ) – 1 | \$1.15/\$1.00 – 1           | 15%    |
| Benchmark Index Return                  | Current Day Index / Prior Day Index ) – 1                | As per assumption           | 10%    |
| Hurdle Rate                             | Benchmark Index Return + Excess %                        | 10%+1%                      | 11%    |
| Excess Return                           | Fund Return – Hurdle Rate                                | 15%-11%                     | 4%     |
| Performance Fee                         | NAV x Excess return x 10.25%                             | \$107,000 * 4%*10.25%       | \$439  |

### Scenario 1: The actual Quoted Class performance is greater than the excess return

The performance fee payable of \$439 at the end of 31 December is included in the \$1.15 cum NAV per unit. As the NAV per unit is calculated including the performance fee accrual, there is no impact on the unit price when the performance fee is paid. As such, the value of your investment in the Quoted Class remains at \$110,000 (100,000 units x \$1.10). The new high water mark is \$1.15.

### Scenario 2: The actual Quoted Class performance is lower than the excess return (no performance fee is payable)

If we assume instead that the NAV increased to \$102,000 and you received a distribution of \$5,000 at the end of the period. This makes the cum NAV per unit to be \$1.07 (\$107,000/100,000) and the performance of the Quoted Class to be 7%. Assuming all other factors remained the same there is no performance

fee payable as the actual performance of 7% has not exceeded the hurdle rate of 11% for the performance fee period. The NAV remained at \$102,000 and the ex-NAV per unit is unchanged at \$1.02.

## ABNORMAL EXPENSES

The Fund may incur abnormal expenses, such as expenses associated with a change in Responsible Entity, termination of the Fund or a unitholder meeting. These expenses will be paid out of the Fund as and when these expenses occur.

## BUY / SELL SPREAD AND OFF-MARKET TRANSACTIONS

Where Units are issued or sold in the Quoted Class off-market, a buy/sell spread may be applied. **Please note the buy/sell spread does not apply to the acquisition or disposal of Quoted Class Units on market.**

The buy/sell spread for off-market transactions in Quoted Class Units is 0.25% per transaction.

To the extent it applies, the buy/sell spread is calculated using estimated transaction costs incurred by the Fund, which are reviewed regularly. Consequently, the buy/sell spread as at the date of this PDS may be altered by the RE at any time (including during the life of this PDS) and unitholders will be advised as soon as is practicable. The buy/sell spread is not subject to GST.

In the limited circumstances in which off-market withdrawals are available to investors, the Unit price at which an investor can withdraw their investment will include sell costs of 0.25%. From time to time, we may vary the sell spread costs of Units in the Quoted Class and we will not ordinarily provide prior notice unless required by law.

For example, a withdrawal amount of \$50,000 will incur a sell spread cost of \$125, which will reduce your withdrawal amount to \$49,875.

## **TRANSACTION COSTS**

The Fund may incur certain transactional and operational costs, such as brokerage, settlement costs, clearing costs and stamp duty (if applicable) when assets are bought or sold.

Any transactional costs are an additional cost to you to the extent they are charged and have not already been recovered.

Transaction costs that are incurred because investors buy or sell Quoted Class Units on the ASX are offset by the allowances that are included in the on-market bid and offer prices set by the Responsible Entity when carrying out its market making activities.

The Responsible Entity, as at the date of this PDS, has reasonably estimated that the net transactional and operational costs of the Quoted Class based on the Quoted Classes actual performance for the period 11 months ended 30 June 2024, will be approximately 0.00% p.a. of the Quoted Classes Net Asset Value or \$0 for every \$50,000 you have in the Quoted Class. These net transactional and operational costs represent estimated total transactional and operational costs (to the extent they can be estimated) of 0.05% p.a. minus the estimated transaction costs recovered through the bid-offer spread. These net transactional and operational costs are borne by the Quoted Class of the Fund. These costs are in addition to the management costs set out above.

## **RECOVERY OF EXPENSES**

Under the constitution of the Fund, the RE is entitled to recover all expenses in relation to the proper performance of its duties in respect of the Fund.

As set out in the fee table, the RE has set the Management Fee of the Fund at a fixed percentage per annum of the net asset value (NAV) of the Fund (inclusive of the net effect of GST) until investors are otherwise notified as set out below.

From the Management Fee for the Fund, the RE pays custody fees, responsible entity fees, audit fees, accounting fees, legal and regulatory fees, and all other normal costs of the Fund.

Expenses resulting from abnormal circumstances such as a change of the Responsible Entity, termination of the Fund or unitholder meetings will be recovered from the assets of the Fund as and when they are incurred as set out above.

## **STOCKBROKER FEES FOR INVESTORS**

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the ASX. Investors should consult their share trading platform or stockbroker for more information in relation to their fees and charges.

## **ADVISER REMUNERATION AND SERVICE FEES**

The RE does not pay an adviser service fee or commission to financial advisers.

You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in the Fund and is not an amount paid out of the assets of the Fund or of the Quoted Class. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees and they will not be paid by the RE. We recommend that you check with your adviser if you will be charged a fee for the provision of their advice.

## **CHANGES TO MAXIMUM FEES**

Subject to the Fund's constitution and the law, the fees outlined above may be varied at any time at the absolute discretion of the RE. Reasons might include changing economic conditions or changes in the law. The RE will provide investors in the Fund with at least 30 days prior notice of any proposed increase to the fees.

The RE is only permitted to charge more than the maximum amount of the fee that the Fund's constitution specifies if the unitholders' approval by special resolution has been obtained. See below.

## NEGOTIATED FEES

The RE may offer rebates or waivers of fees to wholesale clients on an individually negotiated basis in accordance with relevant law and any applicable ASIC relief. Wholesale clients should contact the RE by phone on +61 2 9232 7500 or via email at trading@iml.com.au for further information.

## GST AND RITC

For the purposes of the PDS, it has been assumed that generally the Fund cannot claim full input tax credits for GST incurred on fees and expenses payable by the Fund, but they may be entitled to Reduced Input Tax Credit (RITC) applicable when stating fee amounts. If the Goods and Services Tax (GST) rate increases, or if the full amount of ITC or RITC is not available, the Fund's constitution allows us to recoup the extra amount out of the Fund.

This PDS details the Management Fee quoted inclusive of the net effect of GST less RITC.

## FLEXIBLE CHARGING STRUCTURE

Under the Fund's Constitution, the RE is entitled to certain maximum contribution fees, withdrawal fees, management fees and performance fee. It may waive, reduce or refund these fees in certain circumstances.

The maximum amounts which the RE is entitled to charge under the Constitution are as follows:

| Investors Mutual Concentrated Australian Share Fund - Active ETF |  |
|--|--|
| Contribution fee   | A contribution fee of up to 4% (excluding GST) of each application amount.   |
| Withdrawal fee   | A withdrawal fee of up to 4% (excluding GST) of each redemption amount.  |
| Management fee   | The RE may receive a management fee of 2.00% per annum (excluding GST) of the Fund's Net Asset Value which is calculated and accrued daily and payable monthly in arrears. |
| Performance fee  | The RE may receive a performance fee of up to 20% (excluding GST) per annum of the investment returns made in excess of the benchmark.                                     |

## MARKET MAKING AGENT COSTS

The Responsible Entity has appointed a market participant as its agent to execute its market making activities in order to provide liquidity in the Quoted Class Units on the ASX AQUA market and also to facilitate settlement. The agent will earn a fee as a result of these activities. The Market Making Agent fee is comprised of a fixed charge for market making activities and a variable charge for providing liquidity for the Units on the ASX. The variable charge is calculated on the value of all transactions in units of the Quoted Class from market making activities. The Responsible Entity may exercise the right to recover Market Making Agent fees from the assets of the Quoted Class. The Responsible Entity cannot (at the date of this PDS) estimate the Market Making Agent fees and charges that may be payable from the Fund in the future.

## ADDITIONAL PAYMENTS MADE BY THE RESPONSIBLE ENTITY

We may make product access payments to the operators of master trusts and wrap accounts who distribute our Fund on their investment menu. We may also provide certain payments or other non-monetary benefits to dealer groups and other financial services licensees to the extent it is permitted under law. All payments and non-monetary benefits referred to herein are funded by the Responsible Entity out of our own resources, and these are not an additional cost to you.

## FEES FOR INDIRECT INVESTORS

Indirect investors must also refer to the fees and costs payable for the IDPS, master trust or wrap account they are investing through. The IDPS operator will be the registered holder of the units and may charge you fees that are different or in addition to the Fund's fees detailed in this section. You should refer to the offer document for the relevant IDPS, master trust or wrap account for more information.

# 9. INFORMATION & REPORTING ABOUT YOUR INVESTMENT

## CHESSE HOLDING STATEMENTS

The Responsible Entity will not issue investors with certificates in respect of their Units. Instead, when investors purchase Units on the ASX they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the Holder Identification Number allocated by CHESSE or Securityholder Reference Number.

## IML WEBSITE

General and updated information about the Fund is available from IML's website [iml.com.au](http://iml.com.au). This includes the Quoted Class' NAV, iNAV, performance, distribution history, top holdings, sector exposures and monthly updates (including detailing Fund size), the current PDS (including any supplementary material) and the Fund's annual financial reports.

The Responsible Entity intends to follow ASIC's good practice guide for continuous disclosure and in so doing will post copies of continuous disclosure notices on its website. Investors are encouraged to check the website regularly for such information.

The site also has a comprehensive section relating to topical updates and relevant articles from the investment team.

## REPORTING

The Fund is subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. Investors can also call the Responsible Entity to obtain copies of the following documents, free of charge:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half year financial report lodged with ASIC; and
- Any continuous disclosure notices the Responsible Entity places online at [iml.com.au](http://iml.com.au) or lodged with ASX and ASIC.

## UPDATED INFORMATION

While the terms and features of the Fund or Quoted Class relating to this PDS are current at the issue date of this PDS, they may change in the future. We reserve the right to change the terms and features of the Fund in accordance with the Constitution of the Fund and the Corporations Act. Updated information which is not materially adverse is accessible from IML's website. A paper copy of the updated information will be available free of charge upon request. In addition, any material updates will also be notified to investors through the ASX market announcements platform.



# 10. IMPORTANT TAX INFORMATION

## INVESTING IN MANAGED FUNDS – WHAT ABOUT TAX?

Investing, and dealing with investments, has tax and often social security implications which can be complex, and which are invariably particular to your circumstances.

This means that it is important that you seek professional taxation advice that takes into account your particular circumstances before you invest or deal with your investment. This discussion should serve only as a guide to the tax considerations that may arise. This discussion applies only to Australian resident investors for income tax purposes who hold their investment on capital account. Different tax considerations arise for other investors.

Additionally, the following summary in this section is based on the Australian tax laws as at the date of this PDS and is subject to change. Where amendments are proposed to the taxation of managed investment schemes, we will review their effect on the Funds and investors and will advise of any material impacts on the Funds and their investors.

## THE WAY MANAGED FUNDS ARE TAXED

It is intended that no income tax will be payable by the Fund as IML will attribute all the taxable income of the Fund to unitholders.

The distributions from the Fund will include the income the Fund has generated from its investing activities. The income will retain its character as it passes to the investors. As a result, you may receive distributions that include interest, dividends and other income and capital gains (discounted and non-discounted).

## ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT)

The AMIT regime provides a tax system for eligible Managed Investment Trusts (MITs) that elect to be an AMIT. Broadly, this tax regime provides AMITs with formal mechanisms to attribute taxable income and income tax offsets to their unitholders and allows AMITs to rectify errors made in calculating taxable income by making adjustments in the income year in which they are discovered. These aspects of the AMIT regime aim to effectively codify previous industry practice and it is not expected that they will result in significant practical changes for unitholders.

The AMIT regime includes other measures applying to AMITs. These include an increase in a unitholder's cost base where the distribution received for an income year is less than the taxable

components of what has been attributed. A decrease occurs, in most cases, under the current law where the distribution received for an income year is greater than the taxable components of what has been attributed.

An AMIT is required to issue an AMMA (Attribution MIT Member Annual) statement to you after the end of each income year indicating the components of your attribution.

IML, in its capacity as responsible entity for the IML Funds, has elected to irrevocably opt-in to the AMIT regime for each of the Funds. It is intended that the Funds will continue to meet the eligibility criteria to be an AMIT.

## FOREIGN INCOME TAX OFFSETS

Australian resident investors may be entitled to claim foreign income tax offsets in respect of foreign-sourced income generated from overseas investments. You may be able to use these foreign income tax offsets to offset the Australian income tax payable on the foreign source income component of your distributions.

## TAX ON YOUR DISTRIBUTIONS

Australian resident investors are generally subject to tax on their share of attributable income of the Fund. This will also include amounts that are reinvested in the Fund.

The way in which investors are taxed will depend on the character of the distributions they receive. We will send you an AMMA Statement indicating the components of your attribution within 20 Business Days after the end of each financial year which will assist you in completing your tax return.

## GST AND MANAGED FUNDS

The issue of units in the Fund is not subject to GST, however, the Fund may pay GST on the services they acquire.

Fees and expenses payable by the Fund are subject to GST at the rate of 10%. Generally, the Fund may be entitled to claim the full ITC or RITC for GST incurred on these services. If the GST rate increases, or if the full amount of ITC or RITC is not applicable, the Fund's constitution allows us to recoup the extra amount out of the Fund.

## CAPITAL GAINS TAX WHEN YOU WITHDRAW FROM THE FUNDS

Australian residents who invest in the Fund are generally subject to capital gains tax on gains when they redeem units and withdraw any money from the Fund. Where the investor is

regarded as a trader or institutional investor, such gains may be regarded as ordinary income. Individuals, trusts and complying superannuation entities may be entitled to capital gains tax discounts in relation to the disposal of units and the capital gains component of distributions.

### **QUOTATION OF TAX FILE NUMBER (TFN) OR AUSTRALIAN BUSINESS NUMBER (ABN)**

We recommend you provide your TFN/ABN on the application form for units in the Fund. If you choose not to and do not advise us that you have an exemption, we may be required to withhold or deduct tax from your distributions at the highest marginal tax rate, plus the Medicare levy, before passing on any distribution to you.

After 21 July each year, we cannot refund any TFN withholding tax deducted in the previous financial year. By quoting your TFN or ABN you authorise us to apply it to your investment and its disclosure to the Australian Tax Office. Collection of TFN or ABN information is authorised, and its use and disclosure are strictly regulated, by the tax laws and under privacy legislation.

### **FATCA**

The United States of America has enacted rules known as the Foreign Account Tax Compliance Act (FATCA). FATCA withholding tax at 30% may apply to US sourced income and payments unless the recipient is 'FATCA compliant'.

Australia has entered into an Intergovernmental Agreement with the US to improve international tax compliance and implement FATCA (the FATCA IGA).

The FATCA IGA and Australian domestic laws will allow Reporting Australian Financial Institutions to be deemed FATCA compliant where they:

- register with the Internal Revenue Service (IRS);
- conduct appropriate due diligence procedures; and
- collect and report information to the Australian Taxation Office (ATO) relating to U.S. Reportable Accounts and payments to Nonparticipating Financial Institutions.

Relevantly, IML in its capacity as responsible entity of the Fund is a Reporting Australian Financial Institution and complies with its obligations under the FATCA IGA and Australian domestic laws. That is, IML and the Fund has registered with the IRS and will collect and report information in relation to the Fund to the ATO and conduct appropriate due diligence procedures – as set out in the FATCA IGA.

Provided that IML complies with registration, due diligence and reporting requirements in accordance with the FATCA IGA and associated Australian domestic law requirements the Fund will be treated as 'deemed FATCA compliant' and will not be subject to FATCA withholding on US sourced income and payments made to it.

Accordingly, IML may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA IGA obligations.

We note, that in the event that the Fund or IML suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor IML will be required to compensate you for any such tax.

### **COMMON REPORTING STANDARD**

The Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information of non-residents which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby IML, as responsible entity, will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

# 11. ADDITIONAL INFORMATION

## THE CONSTITUTION

The Fund was established under a constitution. Together with the PDS and certain laws (including the Corporations Act), the Constitution governs our relationship with you.

The Constitution deals with:

- the conditions under which the Fund operates (including the different classes of Units in the Fund);
- the rights, responsibilities, duties and liabilities of the Responsible Entity and investors;
- fees and expenses; and
- termination of the Fund.

Subject to the Fund's constitution and the law, your liability in relation to your investment in the Fund is limited to the amount (if any) which remains unpaid for your units.

However, higher courts have not finally determined the extent of liability of investors in managed investment schemes.

Subject to the Corporations Act, the Constitution limits our need to compensate you if things go wrong. Generally, if we comply with our duties as Responsible Entity of the Fund, then we do not need to compensate investors for any loss suffered in relation to the Fund.

Generally speaking, we may amend the Constitution if the RE reasonably considers that the amendment will not adversely affect investor's rights. Otherwise, we generally must obtain the approval of investors (by special resolution) to make changes to a constitution at a meeting of investors.

You may obtain a copy of the Constitution free of charge by calling, emailing or writing to the RE. The RE's contact details are listed on the back cover of this PDS.

If you are investing through a master trust or wrap account, the Constitution will not govern our relationship with you.

There is a risk that the Fund's existing multi-class unit structure may be restructured to that of a single class unit structure. Under a single class unit structure, so long as the Fund remained quoted, unit holders of Quoted Class units will continue to be able to buy and sell units on market and will also have the ability to buy and sell units off-market, directly with the unit registry. The single unit class structure will be exposed to the same risks facing quoted class unit holders which are disclosed in the Significant Risks section above.

## ASIC RELIEF

ASIC has granted relief under section 1020F of the Corporations Act from the ongoing disclosure requirements in section 1017B

of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Fund was an unlisted disclosing entity and includes statements in any PDS for interests in the Fund to the effect that Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund were unlisted disclosing entities.

## UNIT PRICING POLICY

Unit pricing is carried out in accordance with the Fund's constitution and the Responsible Entity's Unit Pricing Policy. If we were to exercise our discretion and change the current unit pricing process of the Fund, we must inform you of the exercise of discretion as soon as possible. A copy of the Unit Pricing Policy is available from the Responsible Entity free of charge upon request.

## ASX CONDITIONS OF ADMISSION

As part of the Fund's conditions of admission to trading status for Quoted Class Units on the ASX under the AQUA Rules, the Responsible Entity has agreed to:

- disclose the Fund's portfolio holdings on a quarterly basis within two months of the end of each calendar quarter;
- provide the iNAV for the Fund as described in this PDS; and
- ensure that the Fund's investments are linked to permissible Underlying Instruments (as defined in the AQUA Rules), subject to any waivers granted by the ASX to the Responsible Entity.

## YOUR RIGHTS

### Cooling off period

Cooling off rights do not apply when investors transact Units on the ASX.

### Limitation of liability and indemnity

Subject to the Corporations Act, the Fund's Constitution provides that the Responsible Entity is not liable for any loss or damage to any person (including an investor) by reason of not receiving sufficient or adequate instructions or information from an investor or other person. The Responsible Entity will also, subject to the Corporations Act, not incur any liability, be liable to account to anyone or be liable for loss or damage in relation to the performance of its duties in relation to determinations of fact or law or decisions in respect of tax.

The Responsible Entity is entitled to be indemnified from the assets of the Fund for all expenses which it may incur or become liable for in connection with the proper performance of its duties as Responsible Entity of the Fund including, its administration or management and the maintenance or management of the authorised investments of the Fund. The Responsible Entity has a right to be indemnified out of the Fund's assets in respect of its acts or omissions.

The Responsible Entity may not rely on this indemnity to the extent it has acted fraudulently, with gross negligence, wilful misconduct or in breach of trust involving a failure to show the degree of care and diligence required of the Responsible Entity, having regard to the powers, authorities and discretions conferred on it by the Fund's Constitution.

The Responsible Entity is also entitled to be indemnified in respect of tax paid or payable on behalf of an investor. If the amount payable to an investor is not adequate to meet the tax liability, the Responsible Entity may withdraw Units held by the investor.

## Complaints

If you have any concerns or complaints, please contact us and we will do our best to resolve your concern quickly and fairly.

You can write to our Complaints Manager:

Investors Mutual Limited PO Box H104  
Australia Square NSW 1215 Australia

Alternatively, you can ask to speak with the Complaints Manager on 1300 157 862 or email at [trading@iml.com.au](mailto:trading@iml.com.au).

If you believe that your matter has not been dealt with satisfactorily you can contact the Australian Financial Complaints Authority (AFCA) by calling 1800 931 678 or email [info@afca.org.au](mailto:info@afca.org.au). AFCA is not available to New Zealand unitholders.

## MASTER TRUST AND WRAP ACCOUNT INVESTORS

We authorise the use of the PDS as disclosure to persons who wish to access Quoted Class Units in the Fund indirectly through an Investor Directed Portfolio Service (IDPS), master trust or wrap account (collectively known as a Platform). If you are investing through a Platform, the operator of the Platform becomes the investor and not you.

Accordingly, you do not acquire the rights of a unitholder of the Fund. The operator of the Platform acquires these rights. An investor via a Platform cannot attend meetings or transfer units.

For Platform investors, the minimum initial and additional investment amounts are those specified by that Platform operator. You will need to complete the application form for that service.

If you invest through a Platform, you can only withdraw or make subsequent investments through the operator of that service. You will be subject to the Platform's conditions for investing, withdrawing, fees and distributions rather than the RE's. If you are investing through a Platform, enquiries should be directed to the operator of that service and not the RE. In addition to the PDS, you should read the document that explains the Platform, as issued by your Platform operator.

## 12. THE CUSTODIAN AND INVESTMENT ADMINISTRATOR

Citigroup Pty Limited (CPL) has given, and has not withdrawn before the preparation date of this PDS, its written consent to be named in this PDS as the custodian and administrator for the Fund.

CPL's role as custodian is limited to holding assets of the Fund. The custodian will be paid a fee for acting as the Fund's custodian. As administrator, CPL is responsible for the day to day administration of the Fund. CPL has no supervisory role in relation to the operation of the Fund and has no liability to you for any act done or omission made in accordance with the custody and investment administration agreements to which it is a party with the RE. CPL is a paid service provider and was not involved in preparing, nor takes any responsibility for this PDS and CPL gives no guarantee of the success of the Fund, nor the repayment of capital or any particular rate of capital or income return.

## 13. PRIVACY

By investing in the Fund, you are providing personal information to the RE which we will collect for the primary purpose of providing this product to you. The RE may use the personal information in your application form for a number of related purposes, including processing your application, administration and management of your investment in the Fund and to comply with applicable laws and regulations such as Australian taxation laws, the Corporations Act and the AML/CTF Act.

We may also collect your information if the law requires or if you consent, for example, in the Fund application form.

We may disclose your personal information to:

- related companies of the RE;
- companies or individuals who provide services or perform functions on behalf of the RE;
- anyone else to whom you authorise us to disclose it;
- anyone else where authorised by law; or
- companies that the RE services.

Some of these recipients will be located overseas including United States, England and Germany, and may include further locations. Where your personal information is transferred

to recipients located overseas, it may not receive the level of protection afforded under Australian law. By investing in the Fund, you consent to your personal information being transferred overseas for the purposes detailed above.

If you think our records are wrong or out of date – particularly your address, e-mail address or contact phone numbers – it is important that you contact us so we can correct them. Pursuant to the provisions of the Privacy Act 1988 (Act), you are able to access the personal information that the RE or an outsourced service provider holds about you in relation to your investment. Should you wish to do so, please contact the RE Privacy Officer on 1300 157 862 or at [privacy@iml.com.au](mailto:privacy@iml.com.au).

Our Privacy Policy (available at [iml.com.au](http://iml.com.au)) also describes:

- how you can access your personal information and seek its correction;
- how you may complain about a breach of the Australian Privacy Principles;
- how such a complaint will be handled; and
- whether there are any material changes to the Privacy Policy, you will be notified via the 'Continuous Disclosure' page of our website ([iml.com.au](http://iml.com.au))

# 14. IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS

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. 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. 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. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand 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 (<http://www.fma.govt.nz>).

The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the 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.

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

financial product markets that operate in New Zealand. The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## DISTRIBUTION REINVESTMENT

You can choose to have your distributions from the Fund reinvested in further units of the Fund, or paid to you by direct credit to your nominated bank account. If you do not make a choice, the RE will reinvest your distribution payment at NAV per unit. The units issued to you as part of a distribution will be allotted in accordance with the terms and conditions set out in the offer document. The allotment of units as part of a distribution described in the offer document is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted as part of a distribution reinvestment is set, the RE will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require the RE to issue, units as part of a distribution reinvestment will be offered to all investors in the Fund of the same class, other than those who are resident outside Australia and New Zealand and who are excluded by the RE to avoid the risk of breaching the laws of the relevant overseas country.
- Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued or transferred on the terms disclosed to an investor in the offer document, and will be subject to the same rights as units issued to all investors of the same class who agree to receive the units.

In respect of the Fund, you have the right to receive from the RE, on request and free of charge, a copy of:

- the latest annual report of the Fund (if any);
- the most recent financial statements of the Fund and, if those financial statements are not audited or reviewed by an auditor, a statement to that effect; and
- a copy of the auditor's report on those financial statements (if any).

You can obtain a copy of any of these documents by electronic means on the website [iml.com.au](http://iml.com.au). You can also request a copy of any of these documents by contacting us using the details in the 'Contact details' section on page 33 of this PDS.

## **GENERAL**

During the currency of the offer document, we will provide you with copies of the relevant constitutional documents in respect of the Fund free of charge on your request. Should you wish to serve us with any documents, you may do so by delivering them to:

Bell Gully  
Deloitte Centre  
Level 5  
1 Queen Street Auckland 1010  
New Zealand

Bell Gully has given and not withdrawn before the date of this PDS, their consent to be named in this PDS as the address in New Zealand for service of documents on the RE with regard to the PDS.

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# CONTACT DETAILS

## **FOR FURTHER INFORMATION ABOUT YOUR HOLDINGS:**

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Level 12, 680 George Street  
Sydney NSW 2000 Australia

Phone: 1300 880 467

Email: [IMLC@linkmarketservices.com.au](mailto:IMLC@linkmarketservices.com.au)

Postal address:

Locked Bag A14,  
Sydney South NSW 1235 Australia

## **FOR FURTHER INFORMATION ABOUT IML AND THE FUND:**

Investors Mutual Limited  
Suite 15.01, Level 15  
39 Martin Place  
Sydney NSW 2000  
Australia

or

PO Box H104  
Australia Square NSW 1215  
Australia

Phone: +61 2 9232 7500

Facsimile: +61 2 9232 7511

Email: [trading@iml.com.au](mailto:trading@iml.com.au)

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**IML**