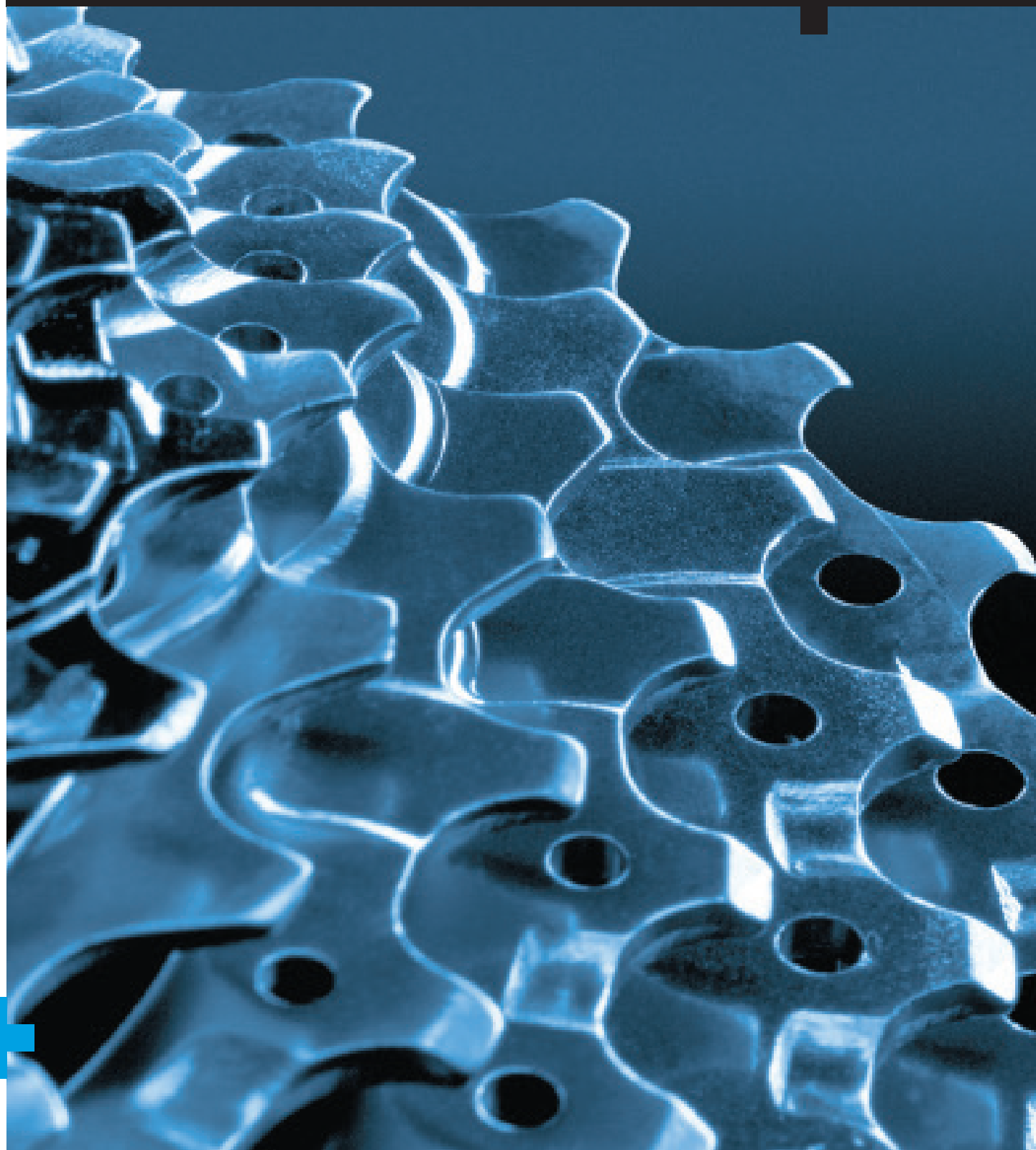


# Ausbil 130/30 Focus Fund

ARSN 124 196 621  
APIR AAP0008AU  
mFund AXW05

Product Disclosure Statement dated 30 September 2021



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# Important information

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## Important information

This Product Disclosure Statement (**PDS**) is issued by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Responsible Entity, Ausbil, Ausbil Investment Management, we**), as responsible entity of the Wholesale Class, of the Ausbil 130/30 Focus Fund (ARSN 124 196 621) (**Fund**). The PDS provides significant information about the Fund. No other class of units in the Fund is offered in this PDS. You should consider this PDS before making a decision about the Fund. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is current as at the issue date but may change from time to time. Where information that changes is not materially adverse to unitholders, we will update this information by publishing changes on [www.ausbil.com.au](http://www.ausbil.com.au). We will notify you if there is a materially adverse change to the information contained in this PDS. This PDS does not constitute an offer in any jurisdiction other than Australia or to anyone to whom it would not be lawful to make such an offer. For the purposes of this PDS a 'Business Day' means any day other than a Saturday, Sunday or public holiday on which the banks in Sydney are generally open for business and all times are Sydney Time. All figures in this PDS are quoted in Australian dollars and are current at the date of this PDS. A paper copy of the PDS and any updated information will be provided free of charge on request by contacting the Responsible Entity.

Under ASIC Regulatory Guide 240: Hedge Funds: Improving disclosure, the Fund is considered a 'hedge fund'. To comply with the requirements of this Regulatory Guide, details regarding the Fund's compliance with the Benchmark and Disclosure Principles are contained in section 3 of this PDS.

If you are a direct investor, all correspondence pertaining to your investment will be issued by us. If you have any queries regarding your investment you should contact us. If you are investing through an investor directed portfolio service (**IDPS**) or IDPS-like scheme (**Indirect Investors**), you should generally contact your IDPS operator with any query.

Neither we, nor any of Ausbil's related entities, guarantee the performance of the Fund, the repayment of capital, any particular rate of return or any particular taxation consequence of investing. Past performance is not a reliable indicator of future performance. Investment in the Fund is not a bank deposit or an investment in or other liability of Ausbil. No assurance is given that the Fund's projected asset allocations or stated objectives will be achieved or maintained at the levels disclosed in this PDS.

# 1. About Ausbil Investment Management Limited

Ausbil, the Responsible Entity of the Fund, was established in April 1997 and is responsible for the administration, operation and management of the Fund and setting the Fund's investment policy and objectives. As Responsible Entity, Ausbil manages the investments of the Fund.

Ausbil manages Australian and international securities for major superannuation funds, institutional investors, master trust and retail clients as well as being the responsible entity of several registered managed investment schemes. Ausbil is owned by its employees and indirectly by New York Life Investment Management Holdings LLC (**New York Life Investments**), a wholly owned subsidiary of New York Life Insurance Company.

New York Life Investments, through its multi-boutique investment structure, has a number of boutique affiliates including MacKay Shields, Candriam Investors Group, PA Capital and GoldPoint Partners.

The Responsible Entity has the power to delegate certain duties in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**) and the constitution of the Fund (**Constitution**). The Responsible Entity has appointed National Australia Bank Limited (ABN 12 004 044 937) (**National Australia Bank**) as the custodian (**Custodian**) and administrator (**Administrator**) for the Fund. Subject to the relevant agreements between the Responsible Entity and National Australia Bank, the Responsible Entity, at its discretion, may change the Custodian and Administrator from time to time and appoint additional service providers. The Responsible Entity will notify unitholders of a change in custodian.

## 2. Key features of the Ausbil 130/30 Focus Fund

This section sets out the key information regarding investing in the Fund and refers to the sections of the PDS where you can find further information.

Feature	Summary	Further information
<b>Investment objective</b>	The Fund aims to outperform the S&P/ASX 200 Accumulation Index over the long term. There is no guarantee that this objective will be achieved.	Section 7
<b>Investment strategy</b>	<p>The Fund primarily invests in a portfolio of ASX listed or about to be listed, Australian securities (long and short) that are generally chosen from the S&amp;P/ASX 200 Index. The Fund may invest in companies listed on international exchanges (long and short), including Australian companies listed overseas. The Fund may also invest in exchange traded derivatives and cash or cash equivalents.</p> <p>The Fund does not leverage by borrowing cash. Short selling may be used to expand the range of available investment opportunities and achieve returns when share prices are expected to go down. Exchange traded derivatives may be used for managing risk.</p>	Section 7
<b>Benchmark</b>	S&P/ASX 200 Accumulation Index.	Section 7
<b>Standard risk measure</b>	Risk Band: 7 Risk Level: Very high risk of losing money in any year. Likely to produce higher returns over the long term.	Section 7
<b>Risk of investing</b>	A degree of risk applies to all types of investments, including investments in the Fund. The significant risks are described in 'Risks of managed investment schemes'.	Section 6
<b>Minimum transaction and balance requirements<sup>1</sup></b>		Section 4
<b>Initial investment</b>	\$20,000	
<b>Additional investment</b>	\$5,000	
<b>Minimum withdrawal</b>	\$5,000	
<b>Minimum balance</b>	\$20,000	
<b>Indirect investors</b>	If you are an indirect investor, you need to comply with any minimum transaction and balance requirements of your IDPS operator.	
<b>Management costs<sup>2,3</sup></b>	A management fee of 1.00% pa of the Fund's gross asset value <sup>4</sup> , plus a performance fee of 20.5% of the difference between the Fund Performance and the return of the benchmark, S&P/ASX 200 Accumulation Index, plus a hurdle of 2.00% pa multiplied by the Fund's gross asset value <sup>4</sup> . Accrued daily and paid monthly in arrears. Estimated indirect costs for the Fund for the current financial year are nil. <sup>5</sup>	Section 8
<b>Buy-sell spread</b>	+0.30%/-0.30% per transaction. This amount may change if the estimate of the underlying transaction costs changes. There is no buy spread incurred on distributions which are re-invested.	Section 8
<b>Unit pricing frequency</b>	Each Business Day.	Section 4
<b>Cut-off times</b>	Valid applications and withdrawal requests need to be received by our Administrator before 2.30pm (Sydney time) on a Business Day to be processed using the unit price next calculated for that Business Day.	Section 4

<b>Feature</b>	<b>Summary</b>	<b>Reference information</b>
<b>Distribution frequency</b>	Half yearly.  The distribution periods are usually 1 July to 31 December and 1 January to 30 June. There may be periods in which reduced or no distributions are paid or where interim distributions are made and we do not guarantee any level of distributions.	Section 4
<b>Distribution payment methods</b>	Reinvested into the Fund as additional units or paid to your nominated account. For indirect investors, distributions will be paid to your IDPS operator as soon as practicable after the end of the distribution period.	Section 4
<b>ASIC Benchmarks and Disclosure Principles</b>	ASIC has developed two benchmarks and nine disclosure principles for funds that meet ASIC's definition of a hedge fund. These benchmarks and disclosure principles are aimed at assisting investors to understand the risks and features of these funds and whether such investments are suitable to them. The benchmarks deal with the valuation of assets and periodic reporting policy of the Fund, while the disclosure principles provide information on the Fund's investment strategy, investment manager and structure as well as further detail on the Fund's use of derivatives, leverage, short selling and the risks to withdrawals and liquidity.	Section 3

1. We may, at our discretion, accept lower minimum transaction and balance amounts.

2. Unless otherwise stated, all fees and costs are quoted inclusive of any Goods and Services Tax (**GST**) and net of any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.

3. For certain Wholesale Clients (as defined in the Corporations Act) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to 'Can fees be different for different investors?' in 'Fees and other costs'.

4. Calculated on the Fund's gross asset value, which includes the sum of the Fund's long positions plus cash.

5. Calculated with reference to the financial year ending 30 June 2021 and calculated on the net asset value of the Fund. Please refer to the 'Example of annual fees and costs for the Fund' on page 26 of this PDS.

### 3. ASIC Benchmarks and disclosure principles



Ausbil's style pursues a goal of adding value from a clear set of transparent processes that seek to enhance performance, whilst managing risk.

The Australian Securities and Investments Commission (**ASIC**) requires a responsible entity of funds that qualify as 'hedge funds' for the purposes of ASIC Regulatory Guide 240: Hedge Funds: Improving disclosure (**RG 240**) to disclose information against the benchmarks and disclosure principles set out in RG 240. The Fund is a 'hedge fund' for the purposes of RG 240. These benchmarks and disclosure principles are designed to assist investors to make informed decisions about investing in hedge funds.

The following table provides a summary of the benchmarks and disclosure principles addressed in this PDS. Further information relating to each benchmark and disclosure principles is set out in the PDS.

ASIC Benchmark	Description	Summary	Reference
<b>ASIC Benchmark 1. Valuation of assets</b>	This benchmark is intended to support investor confidence in the value of the non-exchange traded assets of the Fund by addressing whether valuations of a fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	<p>This benchmark does not apply to the Fund.</p> <p>The Fund does not currently hold assets that are not exchange traded. If the Fund invests in such assets in the future, the Responsible Entity has in place a policy to ensure valuations will be provided by an independent external provider.</p>	For additional information in relation to the valuation of assets, please refer to 'How the Ausbil 130/30 Focus Fund works' on pages 9 to 12 of the PDS.
<b>ASIC Benchmark 2. Periodic reporting</b>	This benchmark is aimed at ensuring that investors receive timely, basic fund investment performance information on a periodic basis to make informed investment decisions.	<p>This benchmark is met.</p> <p>The Responsible Entity has implemented a policy to provide detailed periodic updates to investors on certain key information in relation to the Fund on an annual and monthly basis as required.</p> <p>The following information will be included in the Fund's annual disclosure report:</p> <ul style="list-style-type: none"> <li>the actual allocation to each asset type;</li> <li>the liquidity profile of the portfolio of assets as at the end of the relevant period;</li> <li>the maturity profile of any liabilities at the end of the relevant period;</li> <li>the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) at the end of the relevant period;</li> <li>details on the derivative counterparties engaged;</li> <li>the monthly or annual investment returns over at least a five-year period; and</li> <li>any changes to key service providers since any previous report given to investors, including any change in any related party status.</li> </ul> <p>The Fund's latest annual disclosure report is on our website <a href="http://www.ausbil.com.au">www.ausbil.com.au</a></p> <p>On a monthly basis, the following information will be provided to investors on our website <a href="http://www.ausbil.com.au">www.ausbil.com.au</a>:</p> <ul style="list-style-type: none"> <li>the current total net asset value (NAV) of the Fund and the redemption value of a unit in the Wholesale Class as at the date of the NAV;</li> <li>any changes in key service providers since any previous report was provided, including any change in related party status;</li> <li>the net return on the Fund's assets after fees, costs and taxes; and</li> <li>any material change in the Fund's risk profile or strategy and any change in the investment team.</li> </ul>	For additional information in relation to periodic reporting, please refer to 'Investor Communication' on page 35 of the PDS.

ASIC Disclosure Principle	Description	Summary	Reference
<b>ASIC Disclosure Principle 1. Investment Strategy</b>	This disclosure principle is intended to ensure that investors can make informed decisions about the Fund by disclosing details of the investment strategy for the Fund, including the type of strategy, how it works in practice and how risks are managed.	<p>The Fund aims to outperform the S&amp;P/ASX 200 Accumulation Index over the long term. There is no guarantee that this objective will be achieved.</p> <p>The Fund primarily invests in a portfolio of ASX listed or about to be listed, Australian securities (long and short) that are generally chosen from the S&amp;P/ASX 200 Index.</p> <p>The Fund may invest in companies listed on international exchanges (international listed equities), including Australian companies listed overseas. The Fund may also invest in exchange traded derivatives and cash or cash equivalents.</p> <p>The Fund does not leverage by borrowing cash. Short selling may be used to expand the range of available investment opportunities and achieve returns when share prices are expected to go down. Exchange traded derivatives may also be used for managing risk.</p> <p>Investors in the Fund are exposed to risks at both the company level and market level. The key risks and how they are managed are set out in this PDS.</p> <p>The Responsible Entity may change and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. If this were to occur, the Responsible Entity will provide investors written notice of any material variation which the Responsible Entity believes investors would not have reasonably expected.</p>	For additional information in relation to the investment strategy, please refer to and 'How we invest your money' on pages 17 to 24 and 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.
<b>ASIC Disclosure Principle 2. Investment Manager</b>	This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for managing the Fund's investments, as well as arrangements between the Responsible Entity and any investment manager.	<p>Ausbil is responsible for the investment management of the Fund. Ausbil's investment team is made up of investment professionals located in Australia with extensive experience.</p>	For additional information in relation to the investment manager, please refer to 'How we invest your money' on pages 17 to 24 of the PDS.
<b>ASIC Disclosure Principle 3. Fund Structure</b>	This disclosure principle is intended to ensure that the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the Responsible Entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.	<p>The Fund is a registered managed investment scheme with the ability to have multiple unit classes.</p> <p>The key service providers that support the Fund are National Australia Bank Limited (Custodian and Administrator), PricewaterhouseCoopers (fund auditor and compliance plan auditor), Macquarie Bank Limited (securities lending counterparty), Merrill Lynch Equities (Australia) Limited (Securities lending counterparty), J.P. Morgan Securities Australia Limited (securities lending counterparty) and Citigroup Global Markets Australia Pty Limited (securities lending counterparty).</p> <p>The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of the relationship and rights of termination.</p> <p>The Responsible Entity has in place procedures to monitor, where appropriate, key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards.</p> <p>The keys risks to the Fund's structure are currency risk, fund risk and service provider risk.</p>	For additional information in relation to the Fund structure, please refer to 'How we invest your money' on pages 17 to 24 of the PDS and 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.



ASIC Disclosure Principle	Description	Summary	Reference
<b>ASIC Disclosure Principle 4. Valuation, location and custody of assets</b>	This disclosure principle is intended to ensure that the Responsible Entity of the Fund discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.	<p>The Fund has a valuation policy where the Fund's assets and liabilities are usually valued each Business Day.</p> <p>Generally, for unit pricing purposes, listed securities and exchange traded derivatives are valued using the last available market price quoted on the relevant exchange. Any other assets such as cash and cash receivables are valued at recoverable value. Any income entitlements, cash at bank, and any amounts of GST recoverable from the Fund from the Australian Taxation Office (ATO) are also included in asset values used to calculate the investment and withdrawal unit price.</p> <p>The Fund does not have a geographic allocation policy as it primarily invests in Australian securities (both long and short) listed on the ASX.</p> <p>The assets of the Fund are held by National Australia Bank Limited as the custodian of the Fund.</p>	For additional information in relation to the valuation, location and custody of assets in the Fund, please refer to 'How we invest your money' on pages 17 to 24, 'How the Ausbil 130/30 Fund works' on pages 9 to 12 of the PDS, and 'The Fund's key services providers' on page 23.
<b>ASIC Disclosure Principle 5. Liquidity</b>	This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.	This disclosure principle is currently not applicable to the Fund as the Responsible Entity of the Fund can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value within 10 days.	For additional information in relation to liquidity, please refer to 'How the Ausbil 130/30 Fund works' on pages 9 to 12 of the PDS.
<b>ASIC Disclosure Principle 6. Leverage</b>	This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).	<p>The Fund's Constitution does not limit the amount of borrowings by the Fund. However, Ausbil does not intend to gear the Fund through borrowings.</p> <p>Although the Fund does not use leverage in the traditional sense (for example, borrowing cash to buy shares), the Fund will utilise the cash generated from a short securities sale to purchase additional securities, magnifying the exposure to the securities. This strategy has the effect of magnifying both positive and negative Fund returns, which in turn this may magnify other investment risks.</p> <p>Leverage is measured by dividing the sum of the gross long equity positions and the short equity positions by the net asset value.</p> <p>The maximum permitted gross level of leveraging is 200% of the value of the Fund. Ausbil will have the ability to move within the range of 80% to 200%.</p>	For additional information in relation to the use of leverage in the Fund, please refer to 'How we invest your money' on pages 17 to 24 of the PDS.

<b>ASIC Disclosure Principle</b>	<b>Description</b>	<b>Summary</b>	<b>Reference</b>
<b>ASIC Disclosure Principle 7. Derivatives</b>	This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the Responsible Entity or investment manager, and the associated risks.	<p>Exchange traded derivatives are used as a risk management tool.</p> <p>The Fund primarily deals in exchange traded derivatives listed on the Australian Securities Exchange.</p> <p>The main risk to the Fund as a consequence of dealing in exchange traded derivatives is derivative risk.</p>	For additional information in relation to the use of derivatives in the Fund, please refer to 'How we invest your money' on pages 17 to 24 of the PDS and 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.
<b>ASIC Disclosure Principle 8. Short Selling</b>	This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.	<p>Short selling may be used to expand the range of available investment opportunities and achieve returns when share prices are expected to go down.</p> <p>Short selling is the practice of selling securities that have been borrowed from a securities lender and selling them in the market leaving the Fund with a "short position". This is done with the expectation that the securities will be repurchased at a price lower than the initial sale price and then returned to the securities lender.</p> <p>As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. Short selling risks are managed by us through the use of specific techniques as part of our investment management process.</p>	For additional information in relation to the use of short selling in the Fund, please refer 'How we invest your money' on pages 17 to 24 of the PDS and 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.
<b>ASIC Disclosure Principle 9. Withdrawals</b>	This disclosure principle ensures that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.	<p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security of an asset class, there is a risk that the generally applicable timeframe of four Business Days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case withdrawals from the Fund may take significantly longer than the generally applicable timeframe.</p> <p>Withdrawals from the Fund are not currently funded by an external liquidity facility.</p>	For additional information in relation to withdrawals from the Fund, please refer to 'How the Ausbil 130/30 Fund works' on pages 9 to 12 of the PDS.

## 4. How the Ausbil 130/30 Focus Fund works

The Fund is a registered managed investment scheme under the Corporations Act. This means your money is pooled together with monies from other unitholders. This pool is used to buy investments that are managed on behalf of all unitholders in the Fund.

When you invest in the Fund, you will be issued units in the Fund, rather than directly receiving an interest in the assets of the Fund. Your units will represent the value of your interest in the Fund. The number of units you will receive is dependent on the amount of money you invest and the unit price at the time of your application. You can increase the number of units you hold by reinvesting distributions or making an additional investment, or decrease the number of units you hold by making a withdrawal. Certain rights are attached to units and these rights are exercisable by the person who owns them (referred to as you, direct investor or unitholders throughout this PDS).

The Fund is admitted as an mFund product under the ASX Operating Rules. While the Fund is admitted as an mFund, investors are able to buy and sell units in the Fund through mFund. mFund uses CHESS, ASX's electronic settlement system, allowing automated application and redemption of units in the Fund through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

### Applications into the Fund

The minimum initial investment amount is \$20,000.

Applications will be processed once the Administrator receives a valid Application Form for the Fund (**Application Form**), valid client identification form/information (where required) and your application money in cleared funds. Once you have made an initial investment in the Fund, you can make additional investments by fax or mail by submitting an Additional Investment Form and making the relevant payment. The minimum additional investment amount is \$5,000. The Responsible Entity can vary or waive the minimum investment amounts at any time.

The Application Form, valid client identification form/information and taxation information include details of the identification documentation that the Responsible Entity is required by law to collect from you before the Responsible Entity can issue units in the Fund to you.

Please note that Application Form, valid client identification form/information and taxation information for an initial investment are not accepted by fax or email due to legislative requirements. The forms must be mailed as originals to the Administrator, whose contact details are on page 1.

Valid applications for units received by the Administrator before 2.30pm on any Business Day will be issued at the application price next calculated for that Business Day. Valid applications for units received by the Administrator after 2.30pm on any Business Day or on a non-Business Day will be issued at the application price calculated for the next Business Day.

Ausbil retains absolute discretion to accept or reject any application in whole or in part. Specifically, if the Responsible Entity is unable to approve an application due to a lack of documentation or failure of verification procedures required by the Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**), your application will not be processed until these procedures are complete.

The Application Form and the Additional Investment Form are available at [www.ausbil.com.au](http://www.ausbil.com.au)

### Applications via mFund

While the Fund is admitted as a mFund product, applications via mFund must be made through your broker. Applications made via mFund will be transmitted to Ausbil and are subject to the transaction cut-off times set out below. This is based on the time of the receipt of the application by Ausbil.

### Incomplete or rejected Application Forms

Under the Constitution, the Responsible Entity can accept or reject any application for units and is not required to give any reason or grounds for such a refusal. To ensure that your application is processed efficiently, you need to complete all relevant sections of the relevant forms, including providing all required documents outlined in the forms.

If your Application Form is not completed to the Responsible Entity's satisfaction and the Responsible Entity is not able to proceed with your request the Responsible Entity may:

- attempt to contact you; and/or
- hold your application monies in a non-interest bearing trust account until the Responsible Entity receives the required information.

Monies will be held for a maximum period of 30 days commencing on the day the Responsible Entity receives the monies. After this period your funds will be returned to the source of payment. If your Application Form is subsequently completed to the Responsible Entity's satisfaction prior to the expiration of the 30 day period and:

- before 2.30pm on any Business Day the monies held will be used to apply for units which will be issued at the application price next calculated for that Business Day; or
- after 2.30pm on any Business Day or on a non-Business Day, the monies held will be used to apply for units which will be issued at the application price calculated for the next Business Day.

### **Transferring ownership**

Transferring units may have tax implications and you should consult your taxation adviser before you arrange any transfer of units. The Responsible Entity may, in its discretion, refuse to register any transfer of units and is not required to give any reasons. Where the Responsible Entity refuses to register a transfer, it may withdraw those units in accordance with the Constitution. To transfer units in the Fund, the transferor and transferee must complete a transfer form and/or application form, and return it to the Responsible Entity together with the necessary client identification forms and relevant identification documents. Ausbil has the right to reject transfers in certain circumstances.

Please note that:

- Client identification forms and relevant identification documents for transfers are required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and AML/CTF Rules (collectively 'AML/CTF' legislation). Please see 'Identification and verification requirements' on page 34.
- The Responsible Entity is unable to accept transfer units in the Fund until it has received your correctly completed transfer form and client identification form.

For further information about how you may transfer your units, please contact us.

### **Withdrawals from the Fund**

The minimum withdrawal amount is \$5,000.

You can request the withdrawal of all or part of your investment in the Fund by sending a completed Redemption Form, by fax or mail, to the Administrator.

If your withdrawal request results in your remaining investment in the Fund falling below \$20,000, the Responsible Entity may require you to withdraw your entire balance. The Responsible Entity can vary or waive the minimum withdrawal amount or holding at any time.

Whilst the Fund is liquid, the Responsible Entity will generally pay redemptions within 4 Business Days after processing your request, although the Fund's Constitution permits 21 days from the time of redemption for the payment to be made. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units within the usual period upon request.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by the Administrator before 2.30 pm on any Business Day will be processed using the withdrawal price next calculated for that Business Day. Valid withdrawal requests received by the Administrator after 2.30 pm on any Business Day or on a non-Business Day will be processed at the withdrawal price calculated for the next Business Day.

Under the Fund's Constitution, Ausbil has the right to compulsorily redeem units in the Fund in certain other circumstances, including where holding the units is in breach of law.

The Responsible Entity may determine that some or all of a withdrawal amount consists of income (which may include net capital gains), rather than capital of the Fund. The Responsible Entity will advise you when this is the case as soon as practicable after the end of the financial year in which the withdrawal occurred.

The Redemption Form is available at [www.ausbil.com.au](http://www.ausbil.com.au)

## Withdrawals via mFund

While the Fund is admitted as an mFund product, mFund investors can withdraw from the Fund by lodging a request with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf). Your ASX broker will direct the withdrawal request to us through CHESS. Requests for withdrawals received and accepted by us will be forwarded by CHESS to your ASX broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESS daily batch settlement process, the units will be cancelled and your Holder Identification Number (HIN) will be updated. Withdrawal requests made via mFund will be transmitted to Ausbil and are subject to the transaction cut-off times set out above. This is based on the time of receipt of the withdrawal request by Ausbil.

## Restrictions on withdrawals

The Responsible Entity may, in accordance with the Constitution and the Corporations Act, suspend withdrawals when the Responsible Entity believes it is in the best interests of unitholders as a whole, including where any of the following occur:

- any relevant stock market or foreign exchange market is closed;
- trading on any such market is restricted;
- a circumstance (including an emergency caused by a mechanical or electronic malfunction) exists as a result of which it is not reasonably practicable for the Responsible Entity to acquire or dispose of the Fund's assets or to determine fairly the redemption amount;
- on a day, the Responsible Entity receives redemption requests for a value equal to 5% or more of the Gross Asset Value of the Fund on that day;
- there is a fall in the All Ordinaries Index of the ASX of five percent (5%) when compared to the level of that Index at the time of receipt of the redemption request;
- there have been or we anticipate there will be withdrawal requests which will involve realising a significant amount of the Fund assets rapidly, and this may either place a disproportionate expense, or tax burden, on remaining investors, or impact negatively on the value of the Fund's assets;
- we reasonably consider it to be in the best interests of investors to allow Fund assets to be sold; or
- as the law otherwise permits.

In either case we may delay the processing of redemption requests for up to 28 days after the date of receiving a redemption request. The redemption price paid on redemption requests processed after any delay will be calculated in accordance with the Fund's Constitution. In addition, where the Fund is not liquid (as defined in the Corporations Act) or is being wound up, you do not have a right to redeem from the Fund and can only redeem when we make a withdrawal offer to you in accordance with the Corporations Act. We are not obliged to make such offers.

If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. As at the date of this PDS the Fund is liquid.

For further details on the circumstances where the Responsible Entity may delay or suspend withdrawals, please contact the Responsible Entity or refer to the Constitution, a copy of which is available free of charge by contacting the Responsible Entity.

The Responsible Entity will inform investors of any material change to the Fund's withdrawal procedures and rights via its website [www.ausbil.com.au](http://www.ausbil.com.au), in the next regular communication or as otherwise required by law.

## Transactions via mFund

While the Fund is admitted as an mFund product under the ASX Operating Rules, investors will be able to buy and sell and redeem units in the Fund through mFund. mFund uses CHESS, allowing automated application and redemption of units in the Fund through your ASX broker or your financial adviser who uses a stockbroking service on your behalf (broker). Holdings in these mFunds are held electronically and are linked to a HIN in the same way as other investments transacted through ASX. However the mFund Settlement Service does not facilitate on-market buying and selling between investors. The mFund units settled through the mFund Settlement Service are issued and redeemed by the Responsible Entity of the Fund.

Your broker will process a buy order for units through CHESS. CHESS will confirm the order with your broker once it has been received and accepted by the Responsible Entity. Your payment will be passed through the CHESS daily batch settlement process. The Responsible Entity will price and allot new units to your HIN and CHESS will notify your broker of the unit price and units allotted. For more information about mFund visit the ASX website [www.asx.com.au/mfund](http://www.asx.com.au/mfund) or contact your broker.

## Instructions by fax

None of the Responsible Entity nor its duly appointed agents, including the Custodian and Administrator accepts any responsibility or liability for any loss caused as a result of fraud or errors in or non-receipt or illegibility of, any faxed communication or for any loss caused in respect of any action taken as a consequence of faxed instructions believed in good faith to have originated from properly authorised persons.

## Unit prices

You will be issued units when you invest in the Fund. Each of these units represents an equal undivided interest in the Fund but does not give you any interest in any particular asset the Fund holds. As a result, each unit has a dollar value which is determined in accordance with the Constitution (unit price). The unit price is generally calculated each Business Day based on the net asset value (**NAV**) of the Fund divided by the number of units on issue in the Fund. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses).

Application and withdrawal unit prices are then calculated by applying a buy or sell spread to the NAV unit price. The buy-sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. For additional information on the buy-sell spread, refer to Section 8, 'Fees and other costs'.

The unit price will change as the market value of assets in the Fund rises or falls. All unit prices are calculated to six (6) decimal places.

Application and withdrawal unit prices for each Business Day are available at [www.ausbil.com.au](http://www.ausbil.com.au)

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the Responsible Entity receives the correct documentation and will be processed using the unit price on the Business Day the Responsible Entity receives the correct documentation.

The Responsible Entity has adopted a Unit Pricing Discretions Policy that sets out policies and procedures when exercising discretions under the Constitution. For the purpose of calculating the NAV of the Fund, the Responsible Entity will rely on financial data provided by independent third party pricing services. The Responsible Entity may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets. These methods are consistent with ordinary commercial practice for valuing units in the Fund.

A copy of our Unit Pricing Discretions Policy is available at [www.ausbil.com.au](http://www.ausbil.com.au)

While the Fund is admitted as an mFund product, unitholders will be able to view the current price of units in the Fund at any time at [www.ausbil.com.au](http://www.ausbil.com.au) or at [www.mfund.com.au](http://www.mfund.com.au). mFund is not a trading facility and investors will not trade units with other investors on the market.

## Distributions

The Fund generally determines distributions half-yearly (as at 31 December and 30 June), however there may be periods in which no distributions are made, or the Responsible Entity makes interim distributions. The Responsible Entity does not guarantee any particular level of distribution.

Distributions are usually paid within 14 days after the end of the distribution period.

Unless you instruct otherwise, you agree that your distribution entitlement will be reinvested. If you wish to change your distribution payment option please complete a Change of Details Form available at [www.ausbil.com.au](http://www.ausbil.com.au)

The distributions you receive are generally assessable income and can be made up of both income and realised capital gains. Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. This gives a distributable income amount per unit. Your distribution entitlement is then determined by multiplying the number of units you hold by the distributable income amount per unit.

Reinvestment of distributions will normally be effective the first day following the end of the distribution period at an application price calculated by dividing the NAV of the Fund at the end of the distribution period (excluding the distribution amount) by the number of units on issue. No buy/sell spread will apply in this circumstance.

The Responsible Entity may pay interim distributions throughout the year where the Responsible Entity considers it appropriate, for example, where there is a large withdrawal it may distribute income and net realised capital gains before processing the withdrawal so that remaining unitholders are treated fairly. Prior notice of interim distributions will not be provided.

The size of the distribution will vary depending on the factors that influence the performance of the Fund (such as security selection, interest rates and market conditions) and may not be paid at all. Distributions may include a part return of capital. Details will be provided in your tax statement.

Distributions are calculated in accordance with the Constitution. Undistributed gains accrue in the unit price of the Fund during the relevant distribution period. This means that if an investment is made just before the end of a distribution period, you may receive some of the investment back immediately as income. The Fund's unit price will usually fall following a distribution because the income and net realised capital gains accumulated during the distribution period have been distributed.

## 5. Benefits of investing in the Ausbil 130/30 Focus Fund

Investing in the Fund offers a range of benefits, including:

- **Exposure to long and short positions in companies:** access to a portfolio of long and short positions in large and mid-capitalised companies that individual investors may not be able to invest in directly on their own.
- **Diversification:** the potential to diversify an investment portfolio.
- **Experienced team:** access to Ausbil's highly experienced investment management team with a proven track record.
- **Expertise:** access to the Australian investment expertise and knowledge of the Ausbil investment management professionals, who combine company level research with top down economic analysis with a disciplined approach to portfolio construction.
- **Regular reporting:** direct investors can keep track of their investments through Ausbil's secure client website, [www.ausbil.com.au](http://www.ausbil.com.au). In addition direct investors, will receive regular unitholder statements and an annual tax statement.

## 6. Risks of managed investment schemes

All investments carry risk. The likely investment return and the risk of losing money are different for each managed investment scheme. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long term returns may also carry the highest level of short term risk.

There are significant risks associated with managed investment schemes generally. You should be aware that:

- the value of investments will vary;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed and members may lose some of their money;
- laws affecting registered managed investment schemes may change in the future; and
- the level of risk for each person will vary depending on a range of factors including age, investment time frames, where other parts of the member's wealth are invested and the member's risk tolerance.

Risk generally refers to the variability or volatility in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, a lower than expected rate of return, the fact that the value of your investment may not keep pace with inflation or possible delays in redeeming your investment.

Defensive assets (cash and fixed interest) have relatively lower risk and lower expected returns than growth assets (listed property and equities) which have higher expected risk and potential for the greatest return. However, in extraordinary market environments, with extreme market volatility, the expected risk and return profile of assets may differ.

### **Managing risk**

Ausbil is unable to eliminate all investment risk, but does analyse, manage and aim to reduce the impact of risks by actively monitoring investment markets and portfolios, through the use of carefully considered investment guidelines, buying and selling investments with the aim of maximising returns and via its intensive research approach that focuses on regular company contact and internal and external research of companies and the industries in which they operate.

The recommended time frame for investing in the Fund, based on the risks associated with the Fund, is more than 5 years. The significant risks of investing in the Fund are summarised on pages 14 to 16.



<b>Risk</b>	<b>Description of risk</b>
<b>Short selling risk</b>	Selling securities short involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Short selling has the effect of leveraging the Fund (as mentioned below) and carries the risks of magnifying the impact of negative returns and increased margin calls. Additionally there is a risk that the stock lender may request the return of the stock. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the investment manager's choosing.
<b>Leverage risk</b>	Where investments are leveraged, losses may exceed the original investment. The Fund will utilise the cash generated from a short securities sale to purchase additional securities. The Fund may short sell up to 50% of the value of the Fund, and leverage the cash from these short positions to extend long positions. The purchase of the additional securities has the effect of leveraging the Fund and carries the associated risk of magnifying the volatility of investment gains or losses and potentially reduces the security of capital invested. Leveraged investments may significantly underperform equivalent non-leveraged investments when the underlying assets experience negative returns. These risks also give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the investment manager's choosing.
<b>Market risk</b>	The risk that the market values of the assets in which the Fund invests will fluctuate as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues, each of which can lead to changes in prices and overall market volatility. The value of a security may be influenced by the condition of investment markets (e.g. domestic and international share markets and bond markets etc.), as well as the economic state of particular regions or the returns of other asset classes. Investment markets are impacted by broad factors such as economic conditions including interest rates, the availability of credit, political environment, investor sentiment, global markets and significant external events (e.g. natural disasters).
<b>Security risk</b>	The value of a security (i.e. a share in a company) may be affected by market sentiment and other factors that may impact the performance of the actual company. Investing in shares of a company will expose an investor to many of the risks to which the individual company is itself exposed. They include such factors as changes in management, actions of competitors and regulators in regard to the company and changes in technology and market trends. Share markets tend to move in cycles, and the individual share price of a security may fluctuate and underperform other investments over extended periods of time. Such risk is considered by Ausbil through its investment process and managed by maintaining a diversified portfolio of securities in Australian companies.
<b>Smaller companies risk</b>	Smaller companies may include recently established entities with limited public information, or entities engaged in new-to-market concepts which may be speculative in nature. Shares in smaller companies may trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than shares in larger companies. Smaller companies may also have limited operating histories, markets, products lines or financial resources than larger companies. They may also depend heavily on key personnel.
<b>Liquidity risk</b>	Securities purchased for the Fund may be liquid at the time of purchase and subsequently become illiquid due to, among other things, events relating to the company, market events, economic conditions, investor perceptions or lack of market participants. The lack of an active trading market may make it difficult to obtain an accurate price for a security. Liquidity risk may also refer to the risk that the Responsible Entity may not be able to pay redemption proceeds.
<b>Concentration risk</b>	The risk associated with a fund that concentrates its investments in a small number of securities or invests in a small subset of an asset class. The performance of a concentrated fund tends to be more volatile than the performance of a more diversified fund. This is because a concentrated fund is generally exposed to a smaller range of assets and is therefore more sensitive to fluctuations in the value of those assets.
<b>Derivatives risk</b>	A derivative is a financial instrument that is derived from another asset, security or index (the underlying security). Derivatives can expose the Fund to risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security), basis risk (the risk that the value of the derivative moves independently from the value of the underlying security), liquidity risk and credit risk.
<b>Credit risk</b>	Credit risk refers to a risk of loss arising from the failure of an issuer of credit (borrower) or other party to a contract to meet its obligations to make payments of interest, a repayment of capital or some other financial obligation. This may arise in derivatives and fixed interest securities. Credit risk also arises where collateral is provided to secure stock borrowings by the Fund since generally the amount of collateral lodged with the counterparty is greater than the value of stocks borrowed.

Risk	Description of risk
<b>International investment risk</b>	<p>Investing internationally carries additional risks. These include:</p> <ul style="list-style-type: none"> <li>• Differences between countries relating to accounting, auditing, financial reporting, taxation, government regulation, securities exchanges and transactional procedures;</li> <li>• Foreign markets may have different levels of liquidity, pricing availability, settlement and clearance procedures;</li> <li>• Actions of foreign governments, exchange controls, defaults on Government securities, political and social instability;</li> <li>• Investment returns from international shares are also affected by exchange rate fluctuations; and</li> <li>• Non-resident withholding tax may be deducted from dividend payments made by companies registered overseas.</li> </ul>
<b>Currency risk</b>	<p>The risk that the value of investments of the Fund will change due to movements in the exchange rate between the local currency and the Australian dollar. This risk can arise because the Fund holds securities domiciled outside Australia or securities denominated in currencies other than the Australian dollar, which are valued in currencies other than Australian dollars. A change in the value of these currencies relative to the Australian dollar can therefore affect the value of the investment. Ausbil does not hedge the currency exposure of the Fund's investments. For example, a rise in the Australian dollar relative to other currencies may negatively impact the value of the investment. Conversely, a decline in the Australian dollar relative to other currencies may positively impact the value of the investment.</p>
<b>Fund risk</b>	<p>Fund risks include potential termination of the Fund, a change in the Fund's characteristics (such as distribution frequency, change in fees and expenses etc.), replacement of the Responsible Entity or laws that affect managed investment schemes may change. There is also a risk that investing in the Fund may give different results than investing directly because of the income or capital gains or losses accrued in the Fund and the consequences of applications and redemptions by other unitholders.</p>
<b>Manager risk</b>	<p>The risk that Ausbil will not achieve the Fund's stated investment objective or deliver returns that compare favourably to alternative investment options. Many factors can negatively impact Ausbil's ability to generate acceptable returns, including loss of key staff.</p>
<b>Withdrawal risk</b>	<p>To meet withdrawal requests or to raise cash to pursue other investment opportunities, the Responsible Entity may be forced to sell securities at an unfavourable time and/or under unfavourable conditions, which may adversely affect the Fund.</p> <p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally applicable timeframe of four business days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer than the generally applicable timeframe.</p> <p>The maximum timeframe in which we, as Responsible Entity, have to meet a withdrawal request is set out in the constitution of the Fund. Where the Fund is not liquid (as defined in the Corporations Act), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act. Please refer to 'Restrictions on withdrawals' on page 11 of this PDS for further information about an unitholder's ability to withdraw when the Fund is liquid, including the timeframes, and an unitholder's ability to withdraw if the Fund is not liquid.</p>
<b>mFund risk</b>	<p>Investing through mFund does involve certain additional risks. For example you will be entering into a financial transaction with a third party, such as a broker. Investing through mFund also carries the risk of the ASX suspending or revoking the admission of a fund to mFund, or communication or system failures affecting the mFund system. In addition, failure to comply with the mFund admission requirements may result in the Fund losing its settlement status on the mFund Settlement Service.</p> <p>Risks may also arise in relation to transactions processed via mFund if ASX settlement procedures have not been accurately relayed or processed.</p>

# 7. How we invest your money



You should read the important information about how we invest your money, including the Fund's Standard Risk Measure, contained in the table below and further explained on page 24 of this PDS, before making a decision to invest in the Fund.

## Your investment decision

Investment decisions are important and should reflect your particular circumstances. In making a decision it is important to consider the investment, its level of risk and diversification and how it relates to your investment goals and other investments you may hold. You should read all the information in this PDS carefully and seek appropriate professional advice before you make your decision.

## Considering your investment goals

To meet your investment goals, you should consider:

- your return expectations - this reflects the types of returns that you are seeking from an investment;
- your investment time horizon - which is based on the length of time you expect to hold an investment; and
- your risk tolerance - which refers to the extent of variation in the value of your investment, and returns (if any) from your investment, that you are willing to bear over the course of your investment time horizon.

### Ausbil 130/30 Focus Fund

#### Description of Fund

The Fund is a concentrated equity fund which primarily invests in listed or expected to be listed Australian securities that are generally chosen from the S&P/ASX 200 Index. The Fund may also use short selling. The Fund may invest in companies listed on international exchanges, including Australian companies listed overseas. The Fund may also invest in exchange traded derivatives and cash or cash equivalents.

The Fund can invest in securities, known as a 'long' equity exposure. The Fund will hold between 25-50 securities for its long equity exposure.

The Fund uses short selling with the aim of enhancing returns. Ausbil shorts securities by borrowing a securities from a securities lender then selling them in the market in the expectation that they will be repurchased at a price lower than the initial sale price and then returned to the securities lender. The Fund will hold a maximum of 25 securities for its 'short' equity exposure.

The Fund will target 'long' equity positions of 130% and 'short' equity positions of 30%, although Ausbil will have the ability to move within the ranges set out below. In aggregate, short equity positions may range between 0% and 50% and long equity positions may range between 80% and 150%. The target net equity exposure is expected to be approximately 100% and the maximum allowable exposure to cash is 20%.

The Fund may use exchange traded derivatives for the purpose of managing risk. In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

#### Investment objective

The aim of the Fund is to outperform the S&P/ASX 200 Accumulation Index over the long term by investing primarily in listed Australian securities (long and short) and international securities. There is no guarantee that this objective will be achieved.

#### Benchmark

S&P/ASX 200 Accumulation Index

#### Asset ranges and exposures<sup>1</sup>

	Min (%)	Max (%)
Net equity exposure <sup>1</sup>	80	100
Gross equity exposure <sup>2</sup>	80	200
Australian listed equities	65	150
International listed equities	0	15
Exchange traded derivatives	0	50
Cash and cash equivalents	0	20

#### Minimum suggested holding period

5 years +

1. The Fund may move outside the ranges set out above, for example where a large application is received or due to market movements. Ausbil will seek to rebalance the Fund within the ranges in a reasonable period of time.
2. Net equity exposure is the total long equity position minus the total short equity positions.
3. Gross equity exposure is the total long equity position plus the total short equity positions.

<b>Ausbil 130/30 Focus Fund (cont.)</b>	
<b>Standard risk measure</b>	Risk Band: 7 Risk Level: Very high risk of losing money in any year. Likely to produce higher returns over the long term. Please refer to “Standard risk measure” on page 24 of this PDS.
<b>Fund performance</b>	Available on our website ( <a href="http://www.ausbil.com.au">www.ausbil.com.au</a> ). Past performance is not a reliable indicator of future performance.
<b>Labour standards, environmental, social and ethical considerations</b>	Ausbil is a signatory to the Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social (including labour standards) and corporate governance (ESG) factors in their investment decision-making and ownership practices. Ausbil includes an assessment of environmental, social and governance factors in its investment process. It does not have a predetermined view on these factors. Instead Ausbil considers these factors, as it becomes aware of them in their investment decisions.
<b>Changes to Fund details</b>	We have the right to close or terminate the Fund. We may also change the Fund’s investment return objective, asset classes and asset allocation ranges without prior notice in some cases. We will inform investors of any material change to the Fund’s details in their next regular communication or as otherwise required by law.

## Additional information about the Fund

### Diversification guidelines or limits

The Fund’s diversification and risk management guidelines are set out in the table below. The Fund may move outside the guidelines set out below. Ausbil will seek to rebalance the Fund within the guidelines in a reasonable period of time.

<b>Constraints</b>	<b>Ranges</b>
Individual security exposure - relative to index	+10%/-6%
Aggregate maximum company exposure of issued capital	10%
Index sector positions <sup>1</sup>	+15%/-15%
Long equity security holdings	25-50
Short equity security holdings	0-25
Maximum non-index individual security position	+3%/-3%

1. Global Industry Classification Standard (GICS) Level 2, Except Materials GICS Level 4.

### Short selling

The Fund uses short selling with the aim of enhancing returns. Short selling is the practice of selling securities that have been borrowed from a securities lender and selling them in the market leaving the Fund with a “short position”. This is done with the expectation that the securities will be repurchased at a price lower than the initial sale price and then returned to the securities lender.

The Fund provides cash or securities to the securities lender as collateral for the securities that the Fund borrows. Each of the entities that the Fund conducts securities lending with, have signed an Australian Master Securities Lending Agreement with credit exposures limited to the difference between the securities borrowed to cover the short sale and the amount of cash or security collateral the Fund lodges with the securities lender. Security lenders generally require a margin over the borrowed amount, usually 110% if stock is lodged as collateral or 105% if cash is lodged as collateral.

As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. Short selling risks are managed through the use of strategies such as:

- stop loss limits – selling a security when it reaches a certain price;
- pair trades – short positions are offset by also taking long positions in similar securities; and
- option overlay strategies to reduce equity related risk.

Short selling will also increase the Fund’s gross equity exposure to the share market above 100%. The Fund is restricted to short securities up to a maximum of 50% of the Fund. This in turn may magnify the exposure to other investment risks detailed in ‘Risks of managed investment schemes’ on pages 14 to 16 of the PDS.

### Hypothetical short selling example

If the Fund sold short (i.e. borrowed) to its maximum extent permitted by the current investment strategy, the Fund would have a total gross equity exposure of 200% through its long and short exposures. As an example, a \$100,000 dollar investment in the Fund would have \$150,000 worth of exposure to long equity positions and \$50,000 worth of exposure to short equity positions, totalling \$200,000 worth of market exposure. The following table provides examples of four different scenarios of the Fund's performance and their theoretical outcome if the Fund was at its maximum level of gross equity market exposure and the effect of leveraging. Note that this example does not take into account borrowing or trading costs.

Return on underlying securities	Long portfolio value	Short portfolio value	Total net portfolio value
Long equity return: +10% Short equity return: +10%	\$150,000 x 110% = \$165,000	\$50,000 x 110% = \$55,000	\$110,000
Long equity return: +10% Short equity return: -10%	\$150,000 x 110% = \$165,000	\$50,000 x 90% = \$45,000	\$120,000
Long equity return: -10% Short equity return: +10%	\$150,000 x 90% = \$135,000	\$50,000 x 110% = \$55,000	\$80,000
Long equity return: -10% Short equity return: -10%	\$150,000 x 90% = \$135,000	\$50,000 x 90% = \$45,000	\$90,000

### Derivatives

The Fund may use exchange traded derivatives such as options and futures with the aim of managing risk. For example, protecting against risks such as unfavourable changes in an investment's price brought about by, for example, short selling, changes in interest rates, credit risk, equity prices, currencies or other factors.

Exposure to derivatives is limited to 50% of the net equity exposure of the Fund.

Exchange traded derivatives do not have a counterparty as all settlement and clearing obligations are met by the relevant clearing agent.

The Fund does not use over-the-counter (OTC) derivatives.

The main risks to the Fund as a consequence of dealing in derivatives is derivative risk.

### Key dependencies underpinning the strategy's ability to produce investment returns

The investment returns of the Fund depend primarily on whether Ausbil's investment decisions in relation to the Fund's long and short positions are successful; that is, whether the securities that the Fund holds in long positions increase in value and whether the securities that the Fund sells short decrease in value (thereby resulting in a gain for the Fund). The ability to produce investment returns is a combination of two key factors. Firstly, the performance of the underlying market will determine a significant proportion of the total return of the Fund. Secondly, the success of Ausbil's investment process, will determine the returns in excess of the market return.

The Fund will generally operate within a net equity exposure band of 80-100%, and expected returns will reflect a level of correlation with overall equity returns (typically the higher the level of net equity exposure, the higher the correlation with market returns).

Where the Fund operates with a net equity exposure less than 100%, this may insulate investors from the full extent of any market decline. Conversely, the lower the Fund's net equity exposure, the more likely the Fund's returns will trail a rising equity market. The Responsible Entity deploys judgement and experience to determine the net equity exposure.

The remaining component of overall Fund returns will also be determined by the success and failure of individual stock selection. Individual stock selection is determined by the application of Ausbil's stated investment philosophy and style (as explained above).

### Location and currency denomination of the assets of the Fund

The assets of the Fund are generally denominated in the currency of the relevant jurisdiction, for example companies listed on the Australian Securities Exchange will be denominated in Australian dollars.

## **Risk management**

Share portfolios are inherently exposed to risk at both the company level and market level. The main investment risks to which the Fund may be exposed are generally a result of, stock selection, industry diversification, the level of cash in the Fund and the success in identifying short positions. This is achieved through the experience of Ausbil's investment team and the investment process. For information on the key risks to the Fund, please refer to 'Risks of managed investment schemes' on pages 14 to 16 of the PDS.

The Fund deploys three key elements as part of its risk management strategy.

1. a diversification of portfolio sectors and constituents within detailed limits and guidelines across the S&P/ASX 200 Index and other international sectors and constituents;
2. a robust investment process which has consistently delivered returns above the benchmark over the medium term; and
3. Ausbil utilises a portfolio measurement tool that highlights key risk positions within the portfolio such as tracking error and sources of risk. This portfolio measurement tool is run on a monthly basis and is cross referenced by the portfolio construction team following the formulation of the model portfolio. This information is archived on a monthly basis since inception of the Fund for historical comparison and audit trails.

## **Related party relationships**

The Responsible Entity is owned by its employees and indirectly by New York Life Investment Management Holdings LLC, a wholly-owned subsidiary of New York Life Insurance Company (**New York Life**). For these purposes, a related party includes certain entities and individuals that have a close relationship with the Responsible Entity, including, but not limited to New York Life itself, other subsidiaries of New York Life and other funds operated or managed by any other member of the New York Life group of companies.

The Responsible Entity may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. The Responsible Entity may also enter into financial or other transactions with related parties in relation to the assets of the Fund and such arrangements will be based on arm's length commercial terms or as otherwise permissible under the law.

In the course of managing the Fund the Responsible Entity may come across conflicts in relation to its duties to the Fund, related funds and its own interests. The Responsible Entity has internal policies and procedures in place to manage all conflicts of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

The Fund's Constitution does not specify a limit in respect of related party investments by the Fund.

At the date of this PDS, the Fund does not hold any related party investments and there are no material related party arrangements in place with the Fund that have not been made on arm's length terms.

## Investment manager

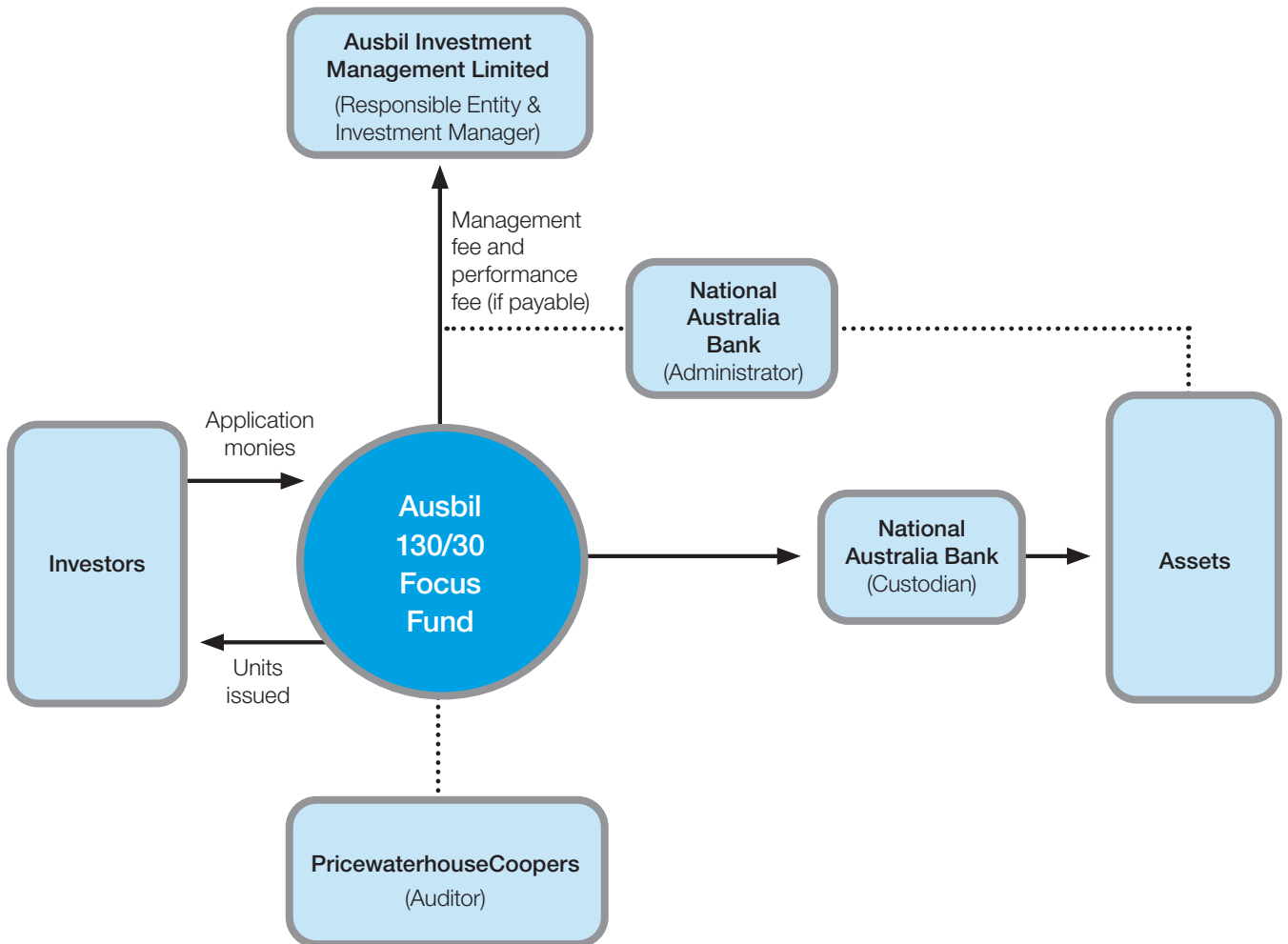
The key investment personnel of the Fund, outlined in the table below, spend an estimated 50% of their time to implement and monitor the Fund's investment strategy. They are supported by Ausbil's well-resourced investment team, including the Portfolio Construction Committee (Paul Xiradis (Head of Equities and CIO), John Grace (Co-Head of Equities), Gian Pandit (Deputy-Head of Equities), Nicholas Condoleon (Head of Equity Research)), the Australian equities team, the Chief Economist, the ESG Research team and its global equity teams. These teams provide the portfolio managers with deep coverage within their areas of expertise.

There have been no adverse regulatory findings against the following personnel.

Portfolio Managers	Qualifications and commercial experience	Financial services experience since	Commencement at Ausbil
Gian Pandit	<p><b>Qualifications</b> Bachelor of Arts (Economics) (University of Sydney)</p> <p><b>Commercial experience</b> Gian has over 30 years' of financial services experience with companies such as Deutsche Bank, Ellerston Capital, ING and AMP Capital.</p> <p>Gian's career includes senior roles in management, investment management and portfolio management in the funds management industry.</p> <p>Before joining Ausbil, Gian was a Co-Head of the Australian Fundamental Equities team at AMP Capital. His primary roles were the management of a long/short equities portfolio, management of a concentrated equities portfolio and overall management of over \$7 billion of funds under management. Prior to joining AMP Capital, Gian was Director of Investments/Senior Portfolio Manager at ING where he managed concentrated and long short portfolios with funds under management exceeding \$10 billion.</p>	1991	2015
Salman Siddiqi	<p><b>Qualifications</b> Bachelor of Commerce (Finance) (University of Otago) Master of Business (Distinction) (Finance) (University of Otago) Chartered Financial Analyst ®</p> <p><b>Commercial experience</b> Salman has over 13 years' of financial services experience with companies such as Nikko Asset Management and National Australia Bank.</p> <p>Before joining Ausbil, Salman was a Portfolio Manager at Nikko Asset Management in Singapore and Australia. Salman has also worked in research, risk management and quantitative analysis roles at National Australia Bank and Forsyth Barr in Australia and New Zealand.</p>	2008	2016

### The Fund's investment structure

The diagram below shows the key entities involved in the Fund, their relationship to each other, their roles and the flow of investment money through the Fund as at the date of this PDS.





## The Fund's key services providers

The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches of the terms of the relationship and rights of termination.

The Responsible Entity has in place procedures to monitor key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards. The service providers may be changed from time to time, including the Custodian where we are satisfied that the Custodian meets applicable regulatory requirements.

Key service providers	Scope of services	Jurisdiction
National Australia Bank Limited (ABN 12 004 044 937) <b>(NAB)</b>	NAB has been appointed by the Responsible Entity as the Custodian for the Fund. The Custodian provides custodial services to the Fund and is responsible for the safekeeping of the assets of the Fund. As Custodian of the assets of the Fund, NAB has no independent discretion with respect to the holding of assets, has no supervisory role in relation to the Fund and is subject to performance standards.  NAB has also been appointed by the Responsible Entity as the Administrator for the Fund. The Administrator to the Fund provides administration services to the Responsible Entity on behalf of the Fund.	Australia
PricewaterhouseCoopers (ABN 52 780 433 757) <b>(PWC)</b>	PWC is the fund auditor and compliance plan auditor for the Fund.  The auditor's role is to provide an audit of the financial statements and compliance plan of the Fund each year, as well as performing a half yearly review (if required), and to provide an opinion on the financial statements.	Australia
Macquarie Bank Limited (ABN 46 008 583 542) <b>(Macquarie)</b>	Macquarie is one of the securities lending counterparties.  The security lender's role is to purchase the security(ies) and enter into an agreement to transfer the security(ies) to the Fund enabling the Fund to short sell the security(ies). In turn, the Fund agrees to return the equivalent security(ies) back to the security lender at a future date.	Australia
Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795) <b>(Merrill Lynch)</b>	Merrill Lynch is one of the securities lending counterparties.  The security lender's role is to purchase the security(ies) and enter into an agreement to transfer the security(ies) to the Fund, enabling the Fund to short sell the security(ies). In turn, the Fund agrees to return the equivalent security(ies) back to the security lender at a future date.	Australia
J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) <b>(J.P. Morgan)</b>	J.P. Morgan is one of the securities lending counterparties.  The security lender's role is to purchase the security(ies) and enter into an agreement to transfer the security(ies) to the Fund enabling the Fund to short sell the security(ies). In turn, the Fund agrees to return the equivalent security(ies) back to the security lender at a future date.	Australia
Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) <b>(Citigroup)</b>	Citigroup is one of the securities lending counterparties.  The security lender's role is to purchase the security(ies) and enter into an agreement to transfer the security(ies) to the Fund enabling the Fund to short sell the security(ies). In turn, the Fund agrees to return the equivalent security(ies) back to the security lender at a future date.	Australia

## Securities lenders

The Fund has appointed securities lenders pursuant to industry standard agreements (ie generally either a Australian Master Securities Lending Agreement (**AMSLA**) or International Swaps and Derivatives Association Agreement (ISDA) (**Agreement**)).

Under each Agreement, the Fund enters into a principal relationship with the securities lender. Under the terms of the each Agreement, the stock borrowed is transferred into the name of the Fund whilst legal title to collateral lodged with the securities lender is transferred to the securities lender. In this way, the Fund's credit exposure is limited to the difference in value between the stock borrowed to cover the short position and the amount of stock collateral the Fund lodges with the securities lender.

The fees, costs and charges incurred pursuant to each Agreement are an expense of, and are payable by the Fund. The securities lenders have no decision making discretion relating to the investment of the assets of the Fund and make no representation in respect of the Fund or the investment of the assets.

Where the Fund intends to short-sell securities, it is anticipated that the securities will be borrowed from the securities lender under each Agreement.

Under the terms of each Agreement, the Fund may seek to borrow the securities with a borrowing request. If the securities lender accepts the Fund's borrowing request, the securities lender will deliver the securities borrowed to the Fund or as the Fund directs. The Fund will have an obligation to re-deliver the securities borrowed or equivalent securities on an agreed date or otherwise the securities lender may call for the re-delivery at any time by giving notice on any Business Day of not less than the standard settlement time for such equivalent securities. The Fund must provide collateral to secure its obligations under the relevant Agreement. The amount of collateral is the value of the securities borrowed plus a margin. In the event that the value of the securities borrowed plus a margin exceeds the collateral provided, further collateral will need to be delivered so that the collateral at least equals the value of securities borrowed plus the margin.

The Fund may remove a securities lender or appoint another securities lender in its place at any time without notice to investors.

## Standard risk measure

The standard risk measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The standard risk measure is not a complete assessment of all forms of investment risk. For instance, it does not detail the size of the negative return or the potential for a positive return that could be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return and should not be used to compare fees. You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option/s.

The following table is used to determine the risk label that applies to the Fund:

<b>Risk band</b>	<b>Risk Label</b>	<b>Estimated number of negative annual returns over any 20 year period</b>
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 to Greater

We have developed a methodology consistent with the guiding principles outlined by the Financial Services Council and the underlying assumptions are structured to reflect a conservative bias, i.e. in favour of overstating risk. The methodology applies a set of relevant capital market assumptions (returns, volatility, correlation) to calculate the forward-looking return distribution for the investment strategy of the Fund. The probability of a negative return in any one year is derived and then multiplied by 20 to achieve the estimated number of negative returns over any 20 year period. This number is compared to the table above to identify the risk band and risk label applicable to the Fund.

## 8. Fees and other costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### To find out more

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

Ausbil has elected to apply the fees and costs disclosure requirements in ASIC Corporations (Disclosure of Fees and Costs) Instrument 2019/1070 to this PDS.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Information on how managed investment schemes are taxed is set out in “How managed investment schemes are taxed” on pages 32 to 33 of this PDS.

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

### Fees and cost summary

Ausbil 130/30 Focus Fund - Wholesale Class		
Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>		
<b>Management fees and costs</b>		
The fees and costs for managing your investment	1.00% pa of the GAV <sup>3</sup> of the Fund <sup>2</sup> .	The management fee is calculated and accrued daily and generally paid monthly in arrears out of the assets of the Fund generally within 15 business days after the end of the month.
<b>Performance fees</b>		
Amounts deducted from your investment in relation to the performance of the product	0.35% pa of the NAV of the Fund <sup>2,4</sup> .	The performance fee is calculated and accrued daily and generally paid monthly in arrears out of the assets of the Fund generally within 15 business days after the end of the month.
<b>Transaction costs</b>		
The costs incurred by the scheme when buying or selling assets	1.73% pa of the NAV of the Fund <sup>5</sup> .	Transaction costs generally arise as a result of applications & redemptions and when the value of the assets of the Fund are affected by the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred.

## Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

### Establishment fees

The fee to open your investment	Nil	Not applicable
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### Contribution fee

The fee on each amount contributed to your investment	Nil	Not applicable
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### Buy-sell spread

An amount deducted from your investment representing costs incurred in transactions by the scheme	0.30% of the application amount on application and 0.30% of the withdrawal amount on withdrawal.	The buy-sell spread represents estimated transaction costs and is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal.
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### Withdrawal fee

The fee on each amount you take out of your investment	Nil	Not applicable
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### Exit fee

The fee to close your investment	Nil	Not applicable
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### Switching fee

The fee for changing investment options	Nil	Not applicable
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1. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of ITCs or RITCs that are expected to be available to the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred.
2. For certain wholesale clients (as defined in the Corporations Act), Ausbil may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of Ausbil's fees. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
3. The GAV includes the sum of the Fund's long positions plus cash.
4. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2021. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. Please note in practice, the performance fee for the Fund is charged on the GAV, which includes the sum of the Fund's long positions plus cash. The Fund's performance fee for the 5 years to 30 June 2021 ranged from 0% to 0.87% pa.
5. The transaction costs disclosed in this 'Fees and costs' summary are estimated amounts and are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

## Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Ausbil 130/30 Focus Fund – Wholesale Class can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Ausbil 130/30 Focus Fund - Wholesale Class	Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1</sup>	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs:	1.03% pa	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$515 each year.
<b>PLUS</b> Performance fees <sup>2,3</sup>	0.35% pa	<b>And</b> , you will be charged or have deducted from your investment \$175 in performance fees each year.
<b>PLUS</b> Transaction costs <sup>4</sup>	1.73% pa	<b>And</b> , you will be charged or have deducted from your investment \$865 in transaction costs.
<b>EQUALS</b> Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year <sup>1</sup> you would be charged fees and costs of <b>\$1,555<sup>1,5</sup></b> . <b>What it costs you will depend on the Fund you choose and the fees you negotiate.</b>

1. Assumes that the \$5,000 contribution is made at the end of the year and that the value of the investment is constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.
2. For certain wholesale clients (as defined in the Corporations Act), Ausbil may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of Ausbil's fees. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
3. The performance fee shown is based on an average of the Fund's performance fee for the 5 years to 30 June 2021. Please note that this is just an example, it is not a forecast and the actual investment balance of your holding and the value of the Fund will vary on a daily basis. The performance fee may be higher. The Fund's performance fee for the 5 years to 30 June 2021 ranged from 0% to 0.87% pa.
4. The transaction costs shown are an estimate of the typical transaction costs, are based on based on the transaction costs for the 2020/21 financial year and are net of any recovery received by the Fund from the buy-sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
5. Additional fees may apply. A buy-sell spread may apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

## **Additional explanation of fees and costs**

The investment returns of the Fund will be affected by the fees and expenses incurred. Further information on how these fees and costs are calculated is set out below in this section.

Unless otherwise stated, all estimates of fees and costs in this PDS are based on information as at the date of this PDS and reflect Ausbil's reasonable estimate of the typical ongoing amounts for the current financial year. Investors in the Fund typically will not bear any establishment fees, contribution fees, withdrawal fees, exit fees or switching fees.

### **Management fees and costs**

Management fees and costs include the amounts payable for administering the Fund, amounts paid for investing in the assets of the Fund and other expenses and reimbursements in relation to the Fund and investments.

The management fees and costs of the Fund are comprised of a management fee, indirect costs and any recoverable expenses (if incurred).

### **Management fee**

This is the fee for Ausbil's services as responsible entity in overseeing the operations of the Fund and/or for providing access to the Fund's underlying investments.

Ausbil is entitled to a management fee of 1.00% pa on the GAV<sup>1</sup> of the Fund (inclusive of GST less any RITC entitlement). The management fee is calculated and accrued daily and generally payable monthly in arrears.

The Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to management fees will be provided on Ausbil's website at [www.ausbil.com.au](http://www.ausbil.com.au) where they are not otherwise required to be disclosed to investors under law.

### **Indirect costs**

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle (if applicable) in which the Fund invests.

Indirect costs are generally deducted from the assets of the Fund as and when incurred and are reflected in the unit price of your investment in the Fund and include the management fees and costs of interposed vehicles and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

Where the Fund invests in other funds for which Ausbil is the responsible entity, the Responsible Entity will ensure there is no doubling up of management fees or performance fees.

The actual indirect costs that the Fund incurs may differ from the indirect costs disclosed in this PDS.

### **Expense recoveries**

#### ***Normal expense recoveries***

Ausbil is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) from the assets of the Fund when they are incurred. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by Ausbil from the assets of the Fund.

As at the date of this PDS, Ausbil has decided to pay normal expenses (including those incurred in the administration of the Fund) out of its management fee and will only be reimbursed out of the assets of the Fund where such expenses are abnormal expenses. Therefore, the management fees and costs figure disclosed in the 'Fees and costs' summary in this PDS includes the estimated normal expense recoveries of the Fund of nil.

1. The GAV includes includes the sum of the Fund's long positions plus cash.

### Abnormal expense recoveries

Ausbil may also recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from the Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from the Fund.

The management fees and costs figure disclosed in the 'Fees and costs' summary in this PDS includes the estimated abnormal expense recoveries of the Fund of nil.

### Performance fees

Ausbil is entitled to a performance fee from the Fund. The performance fee is accrued daily, ie reflected in the daily unit price, and paid monthly in arrears at a rate of 20.5% of the difference between the Fund Performance and the Performance Fee Hurdle multiplied by the Fund's GAV (includes the sum of the Fund's long positions plus cash).

The Performance Fee Hurdle is the return of the benchmark, S&P/ASX 200 Accumulation Index, plus a hurdle of 2.00% pa (**Performance Fee Hurdle**).

The Fund Performance is the Fund's daily gross return (after adding back in distributions and redemptions and excluding applications) (**Fund Performance**).

The performance fee is calculated at each Business Day and if a period of underperformance to the benchmark occurs, the performance fee accrued is frozen at its current level and further performance fees may not commence to be accrued again until the full amount of underperformance is recouped. The unit price is reflective of accrued performance fees. If a performance fee has been paid then the management cost of the Fund for the period would increase.

For periods of high outperformance, the performance fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the performance fee.

The full methodology for calculating the performance fee is detailed in the Constitution, a copy of which is available upon request.

Set out below is an example of when a performance fee may be accrued and payable for the Fund. The example performance fees are not a forecast of the actual performance fees that may be payable in any particular financial year as the actual performance fee for the current and future financial years may differ. Ausbil cannot guarantee any particular level of performance fees will be payable or that the performance of the Fund will outperform the Performance Fee Hurdle.

Daily performance fee accrual example	
Daily performance	Based on balance of \$50,000
<b>Day 1</b>	
Assume:	
<ul style="list-style-type: none"><li>the Fund's gross return for the day was 5.85%;</li><li>the Performance Fee Hurdle for the day was 0.01%; and</li><li>the Fund's value for the day was \$50,000</li></ul>	<b>Outperformance return for the day</b> = Fund's gross return for the day minus the Performance Fee Hurdle = 5.85% - 0.01% = 5.84%
	<b>Outperformance amount for the day</b> = Outperformance return for the day multiplied by the Fund value = 5.84% x \$50,000 = \$2,920.00
	<b>Performance fee amount</b> = \$2,920 x 20.5% = \$598.60
	Performance fee accrued in the Fund's unit price for the day and deducted directly from the Fund after the end of the month.

**Daily performance fee accrual example**

**Daily performance**

**Based on balance of \$50,000**

**Day 2**

Assume:

- the Fund's gross return for the day was -4.95%;
- the Performance Fee Hurdle for the day was 0.01%; and
- the Fund's value for the day was \$50,000

**Under performance return for the day**

= Fund's gross return for the day minus the Performance Fee Hurdle  
 = -4.95% - 0.01%  
 = -4.96%

**Under performance amount for the day**

= Under performance return for the day multiplied by the Fund value  
 = -4.96% x \$50,000  
 = -\$2,480.00

**Performance fee amount**

Performance fee<sup>1</sup> multiplied by the Fund underperformance for the day  
 = -\$2,480 x 20%  
 = -\$496.00

A negative performance fee amount will not be accrued in the unit price.

The negative performance fee dollar amount will be carried forward and will need to be offset by future positive performance before any performance fee becomes accrued and payable.

1. Excluding GST.

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be.

The performance fee figure disclosed as a separate line item in the 'Fees and costs' summary in this PDS includes the estimated performance fees 0.35% pa of the NAV of the Fund, which is based on an average of the Fund's performance fee for the 5 years to 30 June 2021.

**Transaction costs**

Transaction costs are the costs incurred when assets are bought or sold by the Fund, such as brokerage, settlement costs and clearing costs. Transaction costs are reflected in the Fund's unit price. As these costs are factored into the value of the Fund's assets and reflected in the unit price, they are an additional cost to you (where they are not recovered by the buy-sell spread). Please note that the transaction costs shown in the 'Fees and costs' summary are shown net of any amount recovered by the buy-sell spread charged by the Responsible Entity.

The Fund's estimated transaction costs are set out in the table below. The figures are calculated as a percentage of the Fund NAV estimated based on the financial year ending 30 June 2021.

Fund	Total transaction costs	Minus: buy-sell spread recovery	Equals: net transaction costs	Value of net transaction costs on an average account balance of \$50,000 invested in the Fund
Ausbil 130/30 Focus Fund – Wholesale Class	1.94%	0.21%	1.73%	\$865

The Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future.

**Buy-sell spreads**

A buy-sell spread is an amount deducted from the value of a unitholder's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or withdrawal. It is not a service fee and is retained in the assets of the Fund to mitigate the impact to ongoing investors from the costs of transaction activity driven by applications and withdrawals.

An estimate of the buy-sell spread applicable to applications and redemptions from the Fund is +0.30%/-0.30%.

The buy-sell spread cost to you is based on the transaction value. For example, if you made an application of \$50,000 into the Fund you would pay \$150 (\$50,000 x 0.30%).

In estimating the buy-sell spread, Ausbil has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Ausbil to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations.

The buy-sell spread is not a service fee charged by Ausbil and it is not subject to GST. No part of the buy-sell spread is paid to Ausbil – the amount is retained in the assets of a Fund to protect ongoing investors from the transaction activity driven by applications and withdrawals.

The size of the buy-sell spread may, subject to law, be varied from time to time without prior notice, to ensure that non-transacting investors are not adversely affected by applications or withdrawals made by other investors. For example, a different amount or estimate may apply when brokerage costs or the difference between the bid and offer prices for assets change. In stressed and dislocated market conditions, the buy-sell spread may increase significantly.

The buy-sell spread can be changed at any time by us. The Responsible Entity will provide notification to unitholders of any changes to buy-sell spread transaction costs at [www.ausbil.com.au](http://www.ausbil.com.au).

Reinvested distributions do not incur the buy-sell spread.

A copy of Ausbil's Unit Pricing Discretions Policy, including details of any discretions that the Ausbil may exercise in various circumstances (including in respect of transaction costs) is available at [www.ausbil.com.au](http://www.ausbil.com.au).

### **Units in lieu**

Ausbil may receive units in lieu of all or part of any management fee (plus GST) charged to the Fund. Any such units will be issued at the application price and the Ausbil will subsequently redeem the units at the redemption price.

### **Can fees be different for different unitholders?**

For wholesale investors Ausbil may, in its discretion and, in accordance with relevant ASIC policy and the Corporations Act, negotiate and agree a rebate or waiver of part of the fee to a person who acquires an interest in the Fund in response to an offer made to them as a wholesale client within the meaning of section 761G of the Corporations Act. Any fee rebate or waiver is subject to the Ausbil determining that the giving of the rebate or waiver satisfies, or continues to satisfy, the requirements of ASIC policy and the Corporations Act. For further information about differential fees, please contact Ausbil.

### **mFund brokerage fees**

Additional fees may also be payable directly to your ASX broker (or your financial adviser who uses a stockbroking service on your behalf) for using mFund and investors should consider the financial services guide provided by your ASX broker (or adviser).

### **Financial advisers and Indirect Investors**

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

Indirect Investors accessing the Fund through an IDPS may incur additional fees and costs. As well as reading this PDS, Indirect Investors should read their IDPS operator's offer document, which explains the fees payable by the Indirect Investor to the IDPS operator.

### **Third party payments**

Ausbil may provide benefits to other financial services intermediaries where the law permits. If the Ausbil does, it will provide these benefits from our own resources so that they are not an additional cost to the Fund or its unitholders.

Ausbil may also sponsor professional development days and training. If permitted by law, Ausbil may pay rebates, based on the amount of funds under management or operating expenses, to IDPS operators, dealer groups and financial advisers.

Ausbil may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by Ausbil and not by the Fund. It is not charged out of the assets of the Fund and is not an additional charge to unitholders.



## **Changing the fees**

Under the Corporations Act, Ausbil may change the amount of any fees in this PDS (including increase fees up to the maximum set out in the Constitution). Ausbil may increase fees at its discretion. However, Ausbil will provide 30 days' written notice in advance of any proposed increase in its fees.

In accordance with the Constitution and subject to law, Ausbil may vary the amount of abnormal expense recoveries and the buy-sell spread at any time without your consent or notice.

Ausbil cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need unitholders' approval to increase the fee maximums in the Constitution).

### **Maximum fees**

#### ***Management fee***

The maximum management fee for the Fund is 3.00% (exclusive of GST and RITC) per annum of the Fund's gross asset value (**GAV**).

#### ***Performance fee***

20% (exclusive of GST and RITC) of the difference between the Fund's gross performance and the performance fee hurdle, the S&P/ASX 200 Accumulation Index, multiplied by the Fund's GAV.

### **GST**

Unless otherwise stated, all fees and costs are quoted inclusive of any GST, net ITCs or RITCs as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.

# 9. How managed investment schemes are taxed

The tax information provided below is intended to be a brief guide only and should not be relied upon as a complete statement of the Australian income tax laws. Discussion of Australian tax law is current as at the date of preparation of this PDS. As Australian tax law is complex and may change, all potential investors should satisfy themselves of possible consequences by consulting their own professional tax advisors.

**WARNING:** Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

The Fund generally distributes or allocates all of its income each year so that the Fund itself is not subject to tax. As a unitholder you will be assessed for tax on your share of the taxable income generated by the Fund, including any net realised capital gains. The Fund does not pay tax on behalf of Australian unitholders.

There are tax implications when investing, withdrawing and receiving income from the Fund. The Responsible Entity cannot give tax advice and the Responsible Entity recommends that you consult your professional tax adviser as the tax implications for the Fund can impact unitholders differently. What follows is a general outline of some key tax considerations for Australian resident unitholders. This information is based on our current interpretation of the relevant taxation laws. As such, unitholders should not place reliance on this as a basis for making their decision as to whether to invest.

We strongly advise that you obtain your own professional tax advice regarding your position, as tax laws are complex and subject to change, and unitholders' individual circumstances vary.

Income earned by the Fund, whether distributed or reinvested, can form part of the assessable income for unitholders in the year of entitlement or allocation. The composition of distributions can be made up of assessable income (such as dividends, interest and other assessable income), net realised capital gains (including CGT concession amounts, if any), tax credits, such as franking credits attached to dividend income and foreign income tax offsets and/or non-taxable distribution such as return of capital or tax-deferred amounts. If franking credits or foreign income tax offsets are included in your distribution, you must determine your entitlement based on your individual circumstances.

Further, the timing of when the Fund's income is brought to account for tax purposes may be different to when amounts are distributed to you, so that you may be required to pay tax on income that has not yet been or may not be distributed to you.

For each year ending 30 June the Responsible Entity will send to you the details of assessable income, foreign income, tax credits and any other relevant tax information to include in your tax return.

On your Application Form you may provide the Responsible Entity with your Tax File Number (**TFN**), TFN exemption or an Australian Business Number (**ABN**). It is not compulsory for you to quote a TFN, TFN exemption or ABN, but if you do not then the Responsible Entity is required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable Government charges. The Responsible Entity is permitted to collect TFNs under relevant tax law.

## Applications and withdrawals

If you acquire units part way through a distribution period, that amount of accumulated income which is included in the unit price for the units acquired will eventually be distributed to you as income. Depending on your tax circumstances, this could result in you receiving assessable income, and on disposal of units, generating a capital loss of a similar amount. However, the capital loss cannot be offset against that income - it can only be offset against your realised capital gains.

If you withdraw units part way through a distribution period, the value of accumulated income is included in your withdrawal price. The Responsible Entity will advise you what part (if any) of the proceeds on withdrawal reflect your share in the net income of the Fund and therefore is assessable income for tax purposes. The balance reflects the capital proceeds on disposal and may, dependent upon your tax circumstances, be subject to the capital gains tax (**CGT**) provisions.

Your assessable income for each year may include net realised capital gains (ie after offsetting capital losses). This will include capital gains made upon withdrawing units from the Fund.

Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to units which are held for at least 12 months.

If you hold your units on revenue account, gains and losses will be taxable as ordinary income or allowed as a deduction, as the case may be, and will not qualify for the CGT discount.

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)**

The Responsible Entity is required to identify and report on tax residents of a country or countries other than Australia in order to meet account information reporting requirements under domestic and international laws.

If at any time after account opening, information in our possession suggests that you, or any entity or individual that holds ownership and/or control in a unitholder (**Controlling Person**) may be a tax resident of a country or countries other than Australia, you may be contacted to provide further information. Failure to respond may lead to certain additional reporting requirements applying to the account.

By completing the Tax Information Form, as part of your application, you certify that if at any time there is a change to the foreign tax status details for you and/or any Controlling Person, you will inform us. You also certify that if at any time there is a change of a Controlling Person or beneficial owner in your entity, you will inform us.

### **GST**

The application for and withdrawal of units in the Fund and receipt of distributions will not be subject to GST. However, GST is payable on our fees and certain reimbursement of expenses. The Fund may be able to claim input tax credits and/or RITCs of at least 55% of the GST incurred.

Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable RITCs.

# 10. How to apply

## Initial investment

### 1. Read the PDS

Before completing the applicable form(s) and the applicable form(s) please ensure you have read the PDS.

### 2. Complete and sign the applicable form(s)

The applicable form(s) is available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

### 3. Make payment

Make payment of monies in accordance with the payment options provided on the applicable form(s), available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

### 4. Mail documents

Mail (not fax) the applicable form(s) to the Administrator:

Ausbil Investment Management Limited  
GPO Box 804  
Melbourne VIC 3001

### 5. Documents received

Upon receipt of confirmation of your initial investment in the Fund you can then start to make additional investments into the Fund.

The PDS and applicable form(s) are available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

Please note: To address money laundering and terrorism risks, verification of each unitholder's identity is a prerequisite for all new unitholders. If the Responsible Entity does not receive all valid documents with your relevant PDS and applicable form(s) or the Responsible Entity is unable to verify your identity at any time, the Responsible Entity may not be able to process your application for an investment or may not process any future withdrawal requests. Where a transaction is delayed, blocked, frozen or refused, the Responsible Entity is not liable for any loss you suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to the Fund.

If you are an Indirect Investor investing via an IDPS you must complete the documentation which your IDPS operator requires.

## Identification and verification requirements

The AML/CTF Act requires the collection and verification of specific information from investors, including information in relation to the underlying beneficial owners of an investor or potential investor and the source of any payment. As well as completing the PDS and applicable form(s), you may also be required to provide documentation to verify your identity. The actual documentation required will depend on what type of investor you are (for example, individual, sole trader, superannuation fund, trust or Australian company). The required identification documents are outlined in our forms.

Under relevant laws, the Responsible Entity may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, either when the Responsible Entity is processing your investment request or at some stage after the Responsible Entity has issued units in the Fund, and may need to re-verify information previously provided. The Responsible Entity may pass any information it collects and holds about you or your investment to relevant government authorities. Further, under the AML/CTF Act, the Responsible Entity is required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing you of such disclosure.

## Additional investments

If you want to make an investment in the Fund that is additional to your initial investment, please complete an Additional Investment Form available at [www.ausbil.com.au](http://www.ausbil.com.au) or by calling Ausbil on 1800 287 245 (toll free).

Your instruction should either be faxed (1300 072 387) or mailed (see point 5 above) to the Administrator. The written instruction must be signed by you as the unitholder (or the authorised signatories) and should specify your name, account number, Fund name and the amount to be invested.

## How to invest using mFund

While the Fund is admitted as an mFund product, investors will be able to make an initial and/or additional investment in the Fund through mFund using their broker. For more information about mFund visit the ASX website [www.asx.com.au/mfund/index.htm](http://www.asx.com.au/mfund/index.htm).

## **Cooling-off**

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when your transaction confirmation is received by you or, if earlier, 5 Business Days after your units are issued. The Responsible Entity is allowed to (and generally does) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. This may result in you receiving back less than you originally invested. You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform the Responsible Entity in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

## **Investor communication**

As a unitholder in the Fund, you will receive the following reports:

### **Confirmations**

You will receive confirmations of all your application(s) and withdrawal(s).

### **Distribution statement**

You will receive a distribution statement for each period that the Fund makes a distribution to unitholders.

### **Tax and annual statements**

Taxation statements will be provided to you annually for the year ending 30 June. You will also be provided with an annual periodic statement which contains your transaction history for the year ending 30 June.

## **Keeping you informed**

### **Online access to your investment account**

You can access information about your investment in the Fund by logging onto Investor Online: a secure client website with access restricted by client ID and password.

Information on the site includes:

- your account balance;
- your transaction history;
- unit prices;
- performance returns;
- distribution statements; and
- year end tax statements.

In completing the application form you will automatically receive online access (unless you elect otherwise). Investors who wish to register for Investor Online will receive an email containing a secure link to the registration page of the Investor Online website ([www.ausbil.com.au](http://www.ausbil.com.au)).

### **Audited financial statements**

Audited financial statements of the Fund are issued annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act or under the Constitution. The audited financial statements are made available to unitholders at [www.ausbil.com.au](http://www.ausbil.com.au). A hard copy may be requested free of charge by contacting the Responsible Entity. Audited financial statements will not be mailed to unitholders unless specifically requested.

### **Continuous disclosure**

The Fund is subject to regular reporting and disclosure obligations under the Corporations Act. Ausbil will satisfy its continuous disclosure requirements via web-based disclosure on the basis of ASIC's best practice disclosure recommendations for continuous disclosure. To keep informed of important information and updates relating to the Fund, visit [www.ausbil.com.au](http://www.ausbil.com.au) for further information which should be read in conjunction with this PDS, including:

- Fund updates; and
- Unit prices, performance and asset allocations.

The Responsible Entity recommends that you obtain and review such information before you invest. Alternatively, you can call Ausbil on 1800 287 245 (toll free) and the Responsible Entity will send you the requested information free of charge. The Fund's Constitution is also available upon request. If you are unsure as to any aspect relating to the Fund, Ausbil recommends that you consult your financial or other professional adviser. Indirect Investors should contact their IDPS operator.

The Fund is currently a disclosing entity as defined by the Corporations Act. As a 'disclosing entity' (generally this is where the Fund has 100 investors or more) the Fund is subject to regular reporting and disclosure obligations.

In addition, you have the right to receive the following documents at no charge:

- the annual financial report most recently lodged with ASIC;
- any half-year financial report lodged with ASIC by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of the PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of the PDS.

Copies of documents lodged with ASIC in relation to the Fund are able to be obtained from, or inspected at, an ASIC office. All continuous disclosure information is available at [www.ausbil.com.au](http://www.ausbil.com.au)

## Keeping us informed

Our records about you are important. Please inform the Administrator in writing of any change to the personal details that you have given us. This may be a new postal address, email address, or a change of name or new bank account details. When requesting a change of personal details please complete the Change of Details Form or provide:

- your account number;
- the full name(s) in which your investment is/are held;
- the change(s) you are requesting;
- a daytime telephone number;
- email address; and
- ensure the request is signed by the appropriate signatories.

Some changes may also require additional documentation, such as a change of name request. If you wish to change your nominated bank account to which withdrawal payments are made, you will be required to complete the Change of Details Form or the relevant sections of the Additional Investment Form and the applicable form(s), and send the original form and documents to the Administrator.

## Complaints

If you are a direct investor and have notified the Responsible Entity of a complaint in writing and you are not satisfied with how the complaint has been handled, you can refer your complaint to the Australian Financial Complaints Authority (AFCA).

The Responsible Entity is a member of AFCA (member number 10182) which is an external dispute complaints resolution scheme approved by ASIC.

**Mail:** Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
**Phone:** 1800 931 678  
**Email:** [info@afca.org.au](mailto:info@afca.org.au)  
**Website:** [www.afca.org.au](http://www.afca.org.au)

AFCA's services are generally only available to 'retail clients' (as defined in the Corporations Act). Indirect Investors may contact their IDPS operator if they wish to make a complaint or if they are unsatisfied with how a complaint has been handled. However, Ausbil's complaints process is also available to indirect investors.

# 11. Other information

## Consents

National Australia Bank Limited (ABN 12 004 044 937) (National Australia Bank) is the Custodian and Administrator for the Fund. National Australia Bank makes no statement in this PDS and has not authorised or caused the issue of it. National Australia Bank has given and not withdrawn its consent to be named in this PDS before the date of this PDS. Investments of the Fund do not represent investments in, deposits with or other liabilities of, National Australia Bank or any other member of the National Australia Bank group of companies (**NAB Group**). Neither National Australia Bank, nor any other member of NAB Group, in any way stands behind the capital value, nor does it guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of the Responsible Entity or its related entities.

New York Life Insurance Company has given and has not withdrawn its consent to its name appearing in the PDS of the Fund and to references and statements in the PDS concerning New York Life Insurance Company in the form and context in which they are included. Other than the consent provided, New York Life Insurance Company does not take any responsibility for any other part of the PDS and has not authorised or caused the issue of the PDS.

New York Life Investment Management Holdings LLC has given and has not withdrawn its consent to its name appearing in the PDS of the Fund and to references and statements in the PDS concerning New York Life Investment Management Holdings LLC in the form and context in which it is included. Other than the consent provided, New York Life Investment Management Holdings LLC does not take any responsibility for any other part of the PDS and has not authorised or caused the issue of the PDS.

## Privacy

The Responsible Entity must comply with the Privacy Act. This Act generally regulates the collection, storage, quality, use and disclosure of personal information. The Responsible Entity may collect personal information from investors to provide its products and services. The Corporations Act and AML/CTF Act require the Responsible Entity to collect some personal information about you.

The Responsible Entity will need to collect personal information from you in order to process your investment and provide services to you. We may also need to disclose your personal information collected to third party service providers in order to carry out these activities. If you do not want us to use your personal information for direct marketing purposes please contact the Privacy Officer at the address set out below.

We aim to ensure that the personal information the Responsible Entity retains about you is accurate, complete and up-to-date. To assist the Responsible Entity with this, please contact the Responsible Entity if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information the Responsible Entity has about you, it will take steps to correct it. In accordance with the Responsible Entity's Privacy Policy, in most cases, investors also have rights to access their personal information.

The Responsible Entity may disclose your personal information to anyone you have authorised or any adviser, consultant or dealer group advising you or acting on your behalf, government departments or agencies as well as any related entities of the Responsible Entity and anyone acting on its and/or the adviser/consultant/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist the Responsible Entity and/or the adviser/consultant/ dealer group in providing financial services.

If we are not able to collect all the personal information we require, we may not be able to assess your application for the investment product or manage the product. The Responsible Entity may be required to transfer your personal information to entities located outside of Australia where it may not receive the level of protection afforded under Australian law. By completing the Application Form you consent to your personal information being transferred overseas for these purposes. Please note that if you provide personal information to the Responsible Entity about another person, you warrant that you are authorised by that person to do so and that you have informed that person of the information in this Privacy section.

Please contact the Responsible Entity's Investor Services Team on 1800 287 245 (toll free) if you want to change or correct personal details. It is important that you contact us because until you do so the Responsible Entity will assume that by investing in the Fund, you have consented to our using your personal information as indicated above. A copy of the Responsible Entity's Privacy Policy is available at [www.ausbil.com.au](http://www.ausbil.com.au) or may be obtained from the Ausbil Privacy Officer.

Further information on how the Responsible Entity handles personal and sensitive information can be found in the Privacy Policy. The Privacy Policy also contains information about how you can access and correct the information about you held by the Responsible Entity as well as how complaints may be made and how the complaint will be dealt with by it.

The Responsible Entity is subject to mandatory data breach reporting obligations. If an eligible data breach occurs, we will notify the Office of Australian Information Commissioner and any affected individuals of the event where required under these obligations.

If you are investing in the Fund via an IDPS, please be aware that the Responsible Entity does not collect or hold personal information in connection with an investment in the Fund.

If you have further questions about privacy, please write to us or contact us at:

**Mail:**

Privacy Officer  
Ausbil Investment Management Limited  
GPO Box 2525  
Sydney NSW 2001 Australia

**Telephone:**

1800 287 245 (toll free) or  
+61 2 9259 0200 (if calling from outside Australia)

**Fax:**

+61 2 9259 0222

**Indirect Investors**

The Responsible Entity has authorised the use of the PDS as disclosure to investors and prospective investors of an IDPS or IDPS-like scheme (known commonly as a master trust or wrap account). These investors are referred to as Indirect Investors. Indirect Investors in the Fund do not themselves become unitholders in the Fund, and accordingly have no rights as a unitholder. The offer document for your IDPS or IDPS-like scheme should have further details. If you are an Indirect Investor, generally the IDPS or IDPS-like scheme operator acquires the rights of a unitholder. Your rights and liabilities will be governed by the terms of the relevant IDPS or IDPS-like scheme disclosure document, which you should read carefully prior to directing the relevant operator to invest in the Fund.

Indirect Investors complete application forms for the IDPS or IDPS-like scheme, not the Fund, and receive reports from their operator. Enquiries should be directed to that operator or your financial adviser. Minimum investment and withdrawal requirements may not always be relevant to Indirect Investors because the IDPS or IDPS-like scheme operator may invest on behalf of a number of Indirect Investors. Also, the tax information in this PDS does not specifically cater for Indirect Investors.

**How the Fund is governed**

The Fund is governed by the Constitution. The Constitution (in addition to the Corporations Act and general law) provides an operational framework for the ongoing management of the Fund. It also provides for the Responsible Entity's powers, duties and obligations in respect of the Fund, the limits to our liability and our right to be indemnified for proper administration of the Fund.

**The Constitution**

The Constitution contains the rules relating to a number of issues including:

- unitholder rights;
- the process by which units are issued and may be withdrawn;
- the calculation and distribution of income;
- the investment powers of the Responsible Entity;
- the Responsible Entity's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- the creation of other classes of units; and
- the termination of the Fund.

The Constitution also contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts. A copy of the Constitution, which has been lodged with ASIC, is available free of charge by contacting the Responsible Entity.



**Termination**

The Constitution, together with the Corporations Act, governs how and when the Fund may be terminated. The Responsible Entity may terminate the Fund at any time by written notice to unitholders. On termination, a unitholder is entitled to a share of the net proceeds of the realisation of the assets in proportion to the number of units the unitholder held at the time of termination.

**Unitholder meetings**

The conduct of unitholder meetings and unitholders' rights to requisition, attend and vote at those meetings are subject to the Corporations Act and (to the extent applicable) the Constitution.

**Compliance plan and compliance committee**

The Fund has a compliance plan which has been lodged with ASIC (**Compliance Plan**). It sets out measures that the Responsible Entity is to apply in operating the Fund to ensure compliance with the Constitution. A compliance committee has been appointed to monitor compliance by the Responsible Entity with the Constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting the Responsible Entity.

Ausbil Investment  
Management Limited  
GPO Box 2525  
Sydney NSW 2001  
Australia  
Toll Free 1800 287 245

