

# ADDITIONAL INFORMATION BOOKLET REALM HIGH INCOME FUND

## Purpose of this document

One Managed Investment Funds Limited ABN 47 117 400 987 (**we, us, our** and **OMIFL**) is the responsible entity of the Realm High Income Fund ARSN 159 673 533 (**Fund**). We have issued a product disclosure statement (**PDS**) in respect of Ordinary Units and Wholesale Units in the Fund dated 5 October 2017 and a separate PDS in respect of Adviser Units in the Fund dated 5 October 2017 pursuant to Subdivision 4.2C of Division 4 of Part 7.9 of the Corporations Regulations 2001. The information in this document forms part of the PDS in respect of Ordinary Units and Wholesale Units for the Fund dated 5 October 2017 and the PDS in respect of Adviser Units in the Fund dated 5 October 2017.

The information provided in each PDS and this Additional Information Booklet is general in nature and does not take into account your personal financial situation or needs. You should read the relevant PDS and this Additional Information Booklet together and seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

Capitalised terms in this document have the same meaning given to those terms in the glossary found in Section 9.6 of the relevant PDS unless the context implies otherwise.

For the purposes of this document "Units" means Ordinary Units, Wholesale Units or Adviser Units (as applicable).

## Disclaimer

Neither we, nor the Investment Manager, nor any of either of those parties' related bodies corporate guarantee the performance of the Fund or the return of capital or income.

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# 1. How the Realm High Income Fund works

## 1.1 How to invest

You can download a copy of the Application Form at our website – [www.oneinvestment.com.au/Realm](http://www.oneinvestment.com.au/Realm).

## 1.2 Investing through an IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a Unit holder. The offer document for your IDPS should have further details. If you are an indirect investor, generally the IDPS operator acquires the rights of a Unit holder. Unit holder rights include the right to attend Unit holder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds.

Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund. Indirect investors complete application forms for the IDPS, not the Fund, and receive reports from their operator, not from us. Enquiries should be directed to that operator. Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors. Indirect investors will also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this Additional Information Booklet does not specifically cater for indirect investors.

## 1.3 Unit prices

Units will be issued at the Unit price calculated on each Business Day. Until Units are issued, the application money is held in a separate account pending the application being processed and your application money being invested in the Fund. Interest will not be paid on your application money.

The Unit price is calculated by dividing the net asset value of the Fund (which is properly referable to the class of Units for which the Unit price is being calculated) by the number of Units on issue in that class, and adjusting for the buy/sell spread as relevant. The Unit price is calculated as at each Business Day. We will aim to post the Unit price usually within 2 Business Days of the respective pricing date on the Investment Manager's website [www.realminvestments.com.au](http://www.realminvestments.com.au).

Your adviser or broker can also provide the latest unit prices. Remember that quoted unit prices, including those available from ASX or through mFund, will be historical and not necessarily the price you will receive when applying or withdrawing.

## 1.4 Withdrawals from the Fund

Whenever the Fund is "liquid", you can make withdrawal requests for all or part of your investment in the Fund in accordance with the Constitution. Generally, if your valid withdrawal request is received by the Fund's administrator by 12.00pm on a Business Day, then any withdrawal amount to which you are entitled will be calculated on that Business Day. The Fund is "liquid" if we reasonably believe 80% or more of the Fund's assets could be realised within 30 days of the end of each Business Day. Provided the Fund is liquid, withdrawal requests will be satisfied within 30 days of receipt by the Fund's administrator of your valid withdrawal request. However, we may extend the time to meet the request if we are not able to meet this timeframe despite our reasonable efforts (for example, because a market is suspended or closed).

If we receive requests for withdrawals on a Business Day with an aggregate value of more than 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only Units equal to 10% of the net asset value of the Fund (which is properly referable to the class of Units the subject of the withdrawal requests) are redeemed.

If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next Business Day (until such Units are able to be redeemed).

If the Fund is considered "illiquid", then you will only be able to withdraw your investment from the Fund by accepting a periodic withdrawal offer made by us to all investors. The withdrawal price payable for each Unit if the Fund is illiquid is the price published by us in the relevant withdrawal offer. If the Fund is illiquid, then we are not obliged to make withdrawal offers. We offer no guarantee as to the size of any withdrawal offer or whether or not a withdrawal offer will be made at all. If a withdrawal offer was made, but there were not sufficient assets to satisfy all investors' withdrawal requests, then requests would be satisfied proportionately among those investors wanting to withdraw.

The Investment Manager expects the Fund to remain liquid, however, the Fund's "liquidity status" may change over time, based on its assets. You should check [www.oneinvestment.com.au/Realm](http://www.oneinvestment.com.au/Realm) for up to date information.

You should also keep in mind the following matters with regard to withdrawals generally:

- (a) If the Fund is liquid, then the Unit price will be determined on the relevant Business Day (depending on when your valid withdrawal request is received by the Fund's administrator) and will be adjusted for the buy/sell spread applying at the time.
- (b) If satisfying your withdrawal request would result in you holding less than the minimum holding, then we may redeem your entire holding. The minimum holding can be adjusted (up or down) by us at any time. We will update investors if the minimum holding changes. If we elect to increase the minimum to a level of holding which results in you holding less than the minimum holding, then we may (after giving you 30 days' notice) redeem your Units without receiving a withdrawal request from you.
- (c) If the Fund is illiquid and there is no withdrawal offer currently open, then you have no right to withdraw from the Fund.
- (d) In satisfying a withdrawal request we may transfer cash or Fund assets of equivalent value (or a combination of both). If we elect to transfer assets, then we may deduct the reasonable costs of any transfer.
- (e) We are not required to pay any withdrawal proceeds out of our own funds.
- (f) When the Fund is illiquid the withdrawal price is calculated by us in accordance with the terms of any current withdrawal offer.
- (g) We reserve the right to deduct from the withdrawal proceeds any bank charges and other similar bank fees incurred as a result of payment of your withdrawal proceeds. We may also deduct from your withdrawal proceeds any money due to us or any amount of tax we estimate to be payable by you or on your behalf.

## 1.5 Distributions

### (a) Your entitlement to income

A Unit entitles you to participate in any profits or income arising out of the purchase, management, disposal or general investment of the assets of the Fund. The yield, if any, on investments is calculated by reference to the Unit price.

Your income entitlement for each Distribution Period will be determined as soon as practicable after each month end. Where an income entitlement is to be distributed in cash, the distribution will generally be made within 14 Business Days of the end of each calendar month, other than the 30 June month end, which will generally be paid within two months.

## (b) Calculating your income entitlement

Your entitlement to distributable income for a Distribution Period, except the Distribution Period ending on 30 June, is calculated by:

- (i) estimating the income of the Fund for the financial year (which is referable to your class of Units) and then deducting all expenses of the Fund (which is referable to your class of Units);
- (ii) dividing the distributable income for that period by the number of Units on issue (in your class of Units) on the last day of the period to determine the distributable income per Unit for your class of Units; and
- (iii) multiplying the distributable income per Unit for your class of Units by the number of Units held by you and rounding down the product to the nearest whole cent.

Your entitlement to distributable income for the Distribution Period ending on 30 June will include the amount by which the distributable income (if any) for the financial year exceeds the aggregate of distributions to Unit holders (in the same class) previously made during the financial year.

In the event the amount distributed to you during a financial year exceeds the actual income of the Fund for that financial year, the excess amount paid to you will be classified as a capital distribution. Payments will only be made to an Australian financial institution and no cheques will be issued.

## 1.6 Your details

It's important to keep your details with us up to date – please contact the Administrator to correct them when required. You must in a timely way and in such way as we require give us all information that we reasonably request or which you suspect we should know to perform our functions for example, your contact details and regarding your identity or the source or use of invested moneys.

## 1.7 Your rights and other important issues

Our legal relationship with investors is governed by the Fund's Constitution together with the relevant PDS and certain laws. Some provisions are discussed elsewhere in the relevant PDS and others include:

- (a) the nature of units of the Fund and all units of each class are identical;
- (b) our powers, and how and when we can exercise them;
- (c) when the Fund terminates - we can terminate the Fund at any time and eligible investors share the net proceeds on a pro-rata basis;
- (d) when we can retire and what happens if we do - usually another responsible entity will be appointed; and
- (e) changing the Fund's Constitution - we usually need investors' approval for any changes which are adverse to rights.

# 2. Benefits of investing in the Realm High Income Fund

## 2.1 Experience

The Investment Manager will seek to use its experience in funds management to benefit all investors in the Fund.

Please refer to the Investment Manager's website ([www.realminvestments.com.au](http://www.realminvestments.com.au)) to view information about the team members of the Investment Manager. The two founders of the Investment Manager have in excess of 25 years' collective experience in funds management and advisory services.

Further information about the two founders of the Investment Manager are set out below:

### (a) Andrew Papageorgiou

Over the last 15 years Andrew has held roles managing money across direct equities, fixed income and structured alternatives. Over this time Andrew has held roles as an investment adviser and investment portfolio manager for Ord Minnett, Citi Smith Barney as well as being an integral member of the NAB family office and Macquarie Private Bank's family office business. Andrew also has practical experience in managing exposure across a multitude of asset classes, which has delivered him a high level of versatility and a broad base of knowledge.

Andrew possesses a strong technical knowledge in listed debt markets. Andrew also maintains strong understanding of the macro environment and plays a key role in formulating and maintaining the macro framework of the Fund. Andrew is also charged with maintaining the relative value process which underpins listed and OTC unsecured security selection as well as the Fund's tactical positioning. Andrew has developed a strong quantitative behavioural based model that support the investment strategy of the Fund.

#### Key strengths:

- extremely versatile, possessing a very good base of quantitative analysis skills, cash flow balance sheet analysis, macro fundamental and qualitative security knowledge; and
- strong research led approach to underpin the asset selection of the Fund.

### (b) Robert Camilleri

Robert is a financial market professional with over 17 years of market experience. He is well known and regarded in the domestic financial markets where he has held senior fund management positions. Robert has chaired and sat on a number of peak industry committees and task forces. As a Senior Manager of Credit for Aviva Investors, Robert provided key inputs to the management of \$3.5 billion in debt assets and liaised with the equities team on a regular basis in the management of \$6 billion of assets in this sector. Robert has a strong grass roots understanding of the market, with embedded relationships across issuers, regulators and other market participants. Robert's key strength is in asset discovery and the credit research process. This has underpinned Robert's approach as a fixed income money manager.

Robert maintains a process and compliance driven approach to investment, which dictates boundaries, parameters and process for the Fund. Robert understands that delivering a return to investors is a process, which requires discipline and diligence. This is well complemented by a strong ground level understanding of how the credit environment functions in Australia. Over the last decade Robert has built strong relationships with issuers and regulators alike. This delivers practical and anecdotal information around how changes in the global macro and regulatory environment are impacting the domestic credit market.

#### Key strengths:

- grass roots understanding of the supply/demand dynamics of the Australian credit market;
- strong embedded relationships with issuers, industry groups and regulators;
- strong process driven approach to investing, with a focus on process and compliance, a great builder and executor of strategy; and
- strong quantitative analysis background and extremely strong analytical skill with an emphasis on asset price discovery. Robert's ability to build quantitative processes is evident in the Investment Manager's portfolio management process.

## 2.2 The Investment Manager's approach

The Investment Manager has a research focused approach which seeks to deliver an outcome which presents real value in risk adjusted terms. The Investment Manager maintains a core in-house competence in the following areas:

- (i) top down macro analysis; and
- (ii) fixed income and credit analysis and investment.

The Investment Manager's approach for the Fund embraces the philosophy that best practice management combines a complete thorough top down assessment of key macro and regulatory drivers supported by a rigorous bottom up process which provides a ground level market view of issuers and their markets.

## 2.3 The investment committee and risk committee

The investment process of the Fund will be overseen by the investment and risk committees, which comprise members of the investment management team and independent contributors. Where relevant the composition of these committees may be made available on the Investment Manager's website ([www.realminvestments.com.au](http://www.realminvestments.com.au)).

### The Investment Committee

The investment committee convenes regularly and is charged with maintaining a view on the global economic environment.

### The Risk Committee

The role of the risk committee is to provide oversight and review of the Investment Manager's risk management process. This will include macro positioning, stress testing and reviewing of the Investment Manager's risk management policy.

## 3. Risks of managed investment schemes

We refer you to Section 4 of the relevant PDS which contains a summary of the significant risks of investing in a managed investment scheme generally and some of the specific risks of investing in the Fund. We encourage you to read Section 4 of the relevant PDS in conjunction with this Section.

We have set out below more information on some of the specific risks referred to in the relevant PDS and included some additional risks that are relevant to the Fund.

### 3.1 Investment risk generally

When deciding whether to invest in the Fund, you must decide whether, given the nature of the investments the Fund may make, your financial situation permits you to participate in an investment that involves a medium degree of risk. Put simply, it is possible you may lose a substantial portion or even all of the money you invest. There is a risk that changes in economic conditions, including but not limited to interest rates, inflation rates, employment conditions, competition, climate, technological developments, political and diplomatic events and trends, and tax laws can substantially and adversely affect the business and prospects of the Fund. None of these conditions are within our control, or the Investment Manager's, and no assurances can be given that such developments will be anticipated.

### 3.2 Liquidity risk

Markets may lack liquidity because of insufficient trading activity and this may make it difficult or impossible for a trade to be executed within a favourable timeframe. It is also possible that assets usually considered 'liquid' may be illiquid for a period. For example, if market conditions make it difficult or impossible to liquidate positions.

### 3.3 Jurisdictional risk

The Fund can trade in assets located in overseas jurisdictions. This means the assets of the Fund are influenced by movements in exchange rates and interest rates, international political events and the potential for overseas regulations to be less robust than in Australia.

### 3.4 Currency risk

If the Fund buys assets in overseas jurisdictions, then movements in the exchange rate of the Australian dollar relative to other currencies can have a positive or negative impact on the value of the Fund's investments when converted to Australian dollars. The Fund will hedge its currency risk which means movements in the exchange rates should not amplify the performance (both positive and negative) of the Fund.

### 3.5 Counterparty risk

This is the risk of loss due to the failure of another party to a contract (the counterparty) to meet its obligations. Counterparty risk arises primarily from investments in derivatives and currency transactions. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations.

### 3.6 Redemption risk

The Manager expects the Fund will remain liquid which means you are able to send withdrawal requests to us to be processed within 30 days of receipt by the Fund's administrator of your withdrawal request. However, if withdrawal requests that are received on a Business Day exceed 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only Units equal to 10% of the net asset value of the Fund (which is properly referable to the class of Units the subject of the withdrawal requests) are redeemed.

If this occurs, then your withdrawal request will be automatically held over to the next Business Day in respect of any part of your withdrawal request that is not satisfied and will apply at the next Business Day (until such Units are able to be redeemed). There is therefore a risk you may not be able to access all of your money when you make a withdrawal request even if the Fund is liquid. Investors should regard their investment in the Fund as medium to long term and illiquid.

If at any time the Fund has illiquid assets which comprise 20% or more of the Fund's total assets, then the Fund will be considered 'illiquid', in which case you can only withdraw from the Fund if we make a withdrawal offer to all investors.

### 3.7 Interest rate risk

Changes in interest rates may have a negative or positive impact, either directly or indirectly, on investment returns.

### 3.8 Legal risk

Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund, its underlying investments or the Investment Manager's ability to execute its investment strategies. Such initiatives may impact either a specific transaction type or market, and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. Similarly, laws affecting registered managed investment schemes (including taxation and corporate and regulatory laws) may change in the future, affecting investors' rights and investment returns.

### 3.9 Structural risk

Investing in a managed fund is not like investing directly in the underlying assets of the Fund. Investing in a managed fund may result in different income and capital gains outcomes when compared with investing directly. ASX may halt, suspend or revoke any admission of the OMIFL or the Fund to mFund. Although unlikely, ASX or broker systems could fail or there could be errors, anomalies or irregularities.



### 3.10 Investment strategy risk

Neither us nor the Investment Manager can guarantee the investment objective of the Fund will be achieved. The Investment Manager may change the Fund's investment strategy over time, to seek to ensure the investment objective is met or where it is of the view that the change is in the best interests of investors.

However, any changes may not necessarily produce better investment performance.

### 3.11 Change in Fund operation risk

We may change some aspects of the Fund over time, such as:

- (i) the fees and expenses we charge; or
- (ii) the rules that govern the Fund (e.g. notice periods or withdrawal processes).

While we will give investors notice of any changes, such changes (for example, an increase in fees charged by us) may adversely affect the performance of the Fund.

### 3.12 Reclassification/conversion risk

Where you are reclassified or converted to a different class, there may be an adverse impact on your investment in the Fund, including because of adverse tax consequences or different terms of issue of that class (for example, higher fees). You should not only consider the relevant PDS for the class of Units applicable to your investment, but also the product disclosure statement for the other classes so that you understand how your investment may be affected where your Units are reclassified or converted.

## 4. How we invest your money

### 4.1 Investment philosophy

The Investment Manager's top down assessment seeks to take a view around the likely trajectory of economic activity, inflation and interest rates. This assessment also monitors macro factors that point towards broader economic stress or market euphoria. In essence the top down process seeks to understand the prevailing market environment and furthermore seeks to plot where the Fund is and what the likely array of outcomes is. As such, this assessment has a large bearing on factors relating to duration and sector exposures, it also drives a fundamental view around relative value.

The critical factor is making this top down view contextual. For that to be achieved this view has to be reconciled against how the domestic credit market is practically operating. This process of framing the top down screens is the central factor in our bottom up approach.

Members of the Investment Manager's team maintain relationships with industry bodies, regulators and issuers which provides them with the strong anecdotal information which is critical in assessing how over-arching principles or themes are affecting the domestic environment.

The Investment Manager will only seek to invest in markets where the Investment Manager believes that it has a high environmental awareness. As such, the Fund will only invest in sectors and environments where the Investment Manager considers it has an informational advantage. Practically what this awareness translates to is an understanding around legalities, how liquidity flows and clarity around the underlying collateral. This information drives an increased understanding around behaviours, which the Investment Manager believes is critical in understanding the value and price of an investment.

In assessing the Fund it is also critical to understand how the Investment Manager views the marketplace and the broader financial system. The Investment Manager views the banking and financial system as a single organism. Understanding the funding gap is fundamentally important in managing a fixed income strategy in Australia. Australian corporate credit is a boutique opportunity, investing correctly in it requires market intelligence expertise and entrenched relationships.

### 4.2 What can the Fund invest in?

The Fund's focus is on domestic investment grade asset-backed, bank-issued and corporate bonds. While this represents the Fund's primary focus, the Investment Manager may also make investments on behalf of the Fund in government securities, high yield securities, inflation-linked securities, hybrid securities, revolving credit facilities, bank term deposits, international agency, supranational debt and derivatives. We do not borrow to invest.

Set out below is a brief explanation of the types of investments in which the Fund usually invests:

- (a) **At Call and Term Deposits with an ADI** – A deposit held at a financial institution that has a fixed term.  
These are generally short-term with maturities ranging anywhere from a day to a few years. When a term deposit is purchased, the lender (the customer) understands that the money can only be withdrawn after the term has ended or by giving a predetermined number of days' notice. An ADI is an Authorised Deposit-taking Institution which is a corporation which is authorised under the Banking Act 1959 to take deposits.
- (b) **Bank Accepted Bills** – These are Bills of Exchange, as defined by the Bills of Exchange Act 1909. They are typically issued by Prime Banks. A Prime Bank is one in which its Bank Accepted Bills can be delivered against the Sydney Futures Exchange Bank Bill futures contract. An example of a Prime Bank is ANZ, NAB, Westpac Banking Corporation or Commonwealth Bank of Australia. The Bank (as acceptor of the Bill) accepts the responsibility for payment of the specified amount to the ultimate holder of the Bank Bill.
- (c) **Commercial and Asset Back Commercial Paper** – Like term deposits, commercial and asset back commercial paper are short-term investments with a maturity that is typically between 90 and 180 days. The security itself is typically issued by a bank, corporate, trust or other financial institution.
- (d) **Government Securities** – Typically fixed coupon bonds issued by any authority, being national, state, local or other, comprising of the legislators, administrators, and arbitrators in the administrative bureaucracy who control a state at a given time. The government must have the ability to tax its constituents and/or raise revenue through its legislative authority. Any subsidiary or statutory authority created by a government is also included in this category.
- (e) **Corporate debt, notes and securities** – A debt security or obligation issued by a corporation in exchange for cash. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.
- (f) **Inflation linked securities** – Debt financing securities that offer their holders protection against fluctuations in the rate of inflation as measured by the consumer price index (CPI). The yields of these securities adjust monthly with respect to the current rate of inflation.
- (g) **Asset-Backed Securities** – A medium term note, commonly known as an MTN. The note is backed by a loan, lease or receivables against assets.

- (h) **Hybrid securities** – A security that combines two or more different financial instruments. Hybrid securities generally combine both debt and equity characteristics. The most common example is a convertible bond that has features of an ordinary bond, but is heavily influenced by the price movements of the stock into which it is convertible.
- (i) **International agency, supranational debt** – Debt instruments issued by international government or quasi-government organisation. Examples include the United Nations and the International Monetary Fund.
- (j) **Derivatives** – A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Futures contracts, forward contracts, options and swaps are the most common types of derivatives. Derivatives are used as an instrument to hedge risk, and can also be used to gain market exposure purposes.

### 4.3 Investment considerations

We do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments. Our commitment to you is to invest your money in a range of authorised investments to achieve what we believe will amount to long term and sustained capital growth.

## 5. Fees and costs

### 5.1 General

This Section contains further explanation of the fees and costs of the Fund. You should read this Section in conjunction with Section 6 of the relevant PDS.

### 5.2 Changes to fees

Under the Constitution, we have the right to charge up to 5% (exclusive of GST) of the gross asset value of the Fund as a management fee. As at the date of this PDS:

- for Ordinary Units, we will charge only 1.2% pa (including GST) of the gross asset value of the Fund referable to Ordinary Units as a management fee;
- for Wholesale Units, we will charge only 0.77% pa (including GST) of the gross asset value of the Fund referable to Wholesale Units as a management fee; and
- for Adviser Units, we will charge only 0.77% pa (including GST) of the gross asset value of the Fund referable to Adviser Units as a management fee.

We may at a later date increase the amount we charge in management fees without your consent, subject to the maximum amount of 5% (exclusive of GST) of the gross asset value of the Fund referable to the relevant class of Units (as set out in the Constitution). We will give you at least 30 days' written notice of any change to the fees payable.

In addition, the management fees and costs referred to in Section 6.1 of the relevant PDS have been calculated taking into account various considerations, including the current GST legislation. In the event that legislative amendments to the current GST regime have the effect of reducing the ability of the Fund to claim input tax credits on some of these management fees and costs, management fees may increase. Again, we will give you at least 30 days' written notice of any change to the fees payable.

### 5.3 Fees paid to a financial adviser or broker

If you have a financial adviser or broker, then you may also have to pay other fees to your adviser. Details of adviser fees should be set out in the Statement of Advice given to you.

### 5.4 Operating costs and expenses

We are entitled to be paid or reimbursed for expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, and other expenses properly incurred in connection with performing our duties and obligations in the day-to-day operation of the Fund. These expense recoveries are paid as they are incurred by the Fund.

### 5.5 Goods and services tax

Unless otherwise stated, all fees set out in the relevant PDS are inclusive of Goods and Services Tax after allowing for any input tax credits or reduced input tax credits. Further information on the tax implications associated with an investment in the Fund can be found in Section 7 of the relevant PDS.

### 5.6 Waiver or deferral of fees

We may, in our discretion, accept lower fees and expenses than we are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

The maximum management fee payable under the Constitution is 5% per annum of the gross assets of the Fund. However, we waive our right to collect this fee in accordance with the conditions set out in Section 6 of the relevant PDS.

### 5.7 Wholesale investors

We may negotiate with 'wholesale clients' (as defined in the Corporations Act), on an individual basis, in relation to our fees or any rebates on our fees in circumstances permitted by the Corporations Act or applicable relief granted by ASIC.

In the event rebates are offered, they will be paid by us and therefore will not affect the fees paid by, or any distributions to, other investors.

### 5.8 Government and other charges

Government fees, taxes and duties, as well as charges made by your financial institution (including dishonour fees), may also apply to investments and withdrawals, and these are payable from your investment.

### 5.9 Indirect costs

The relevant PDSs includes a measure of 'indirect costs'. The indirect cost figure is intended to give you some measure of the cost of entities used or interposed to give you investment exposure through the Fund. It seeks to show you what additional cost you are paying for not investing directly yourself.

Indirect cost will reduce overall returns.

Figures are based on matters known to us and or the Investment Manager and/or as we or they may reasonably estimate. Not all indirect costs are known to us or the Investment Manager and if not, they cannot always be reasonably be estimated. Information may not be available, reporting may not be meaningful, significant or reliable if for example it comes from a jurisdiction where reporting standards differ from those in Australia, or there may be incomplete historical figures so that a reasonable estimate is not possible.

### 5.10 Tax

The Fund does not usually pay tax. You will usually pay tax in relation to your investment. See the Tax section of the relevant PDS for details.

## 5.11 About examples

Remember fees and costs will vary, estimates may prove to be incorrect and non estimated figures are based on the past. The past can be an unreliable predictor of the future. This example assumes the \$5,000 contribution was made at the beginning of the year, as part of the \$50,000 investment, no other investments or any withdrawals or distributions were made through the year and the investment balance remained unchanged. Transactional and operational costs are not included in this example.

## 6. Taxation

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident for tax purposes. So it is important that you seek professional advice before you invest or deal with your investment. We will send you the information you need each year to help you to complete your tax return.

We will distribute income and capital gains, if any, as soon as possible after 30 June each year. Distributions could comprise:

- income (like dividends and interest);
- net taxable capital gains (from the sale of the Fund's investments); and
- tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer Units.

Depending on the kind of taxpayer you are, and how long you have held your Units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

You do not have to disclose your tax file number (TFN) or any Australian Business Number (ABN) you may have, but most investors do. If you choose not to provide us with TFN or ABN and do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

Tax outcomes can be different for investors who are not residents of Australia for tax purposes. For example, we may need to deduct withholding tax from amounts we pay.

You are strongly advised to seek your own professional tax advice in respect of your investment in the Fund, including in respect of any possible reclassification/ conversion of your Units or withdrawal from the Fund.

## 7. How to apply

### 7.1 Cooling-off

A 14-day cooling-off period applies to your investment. Your cooling-off period commences on the earlier of:

- the date you receive confirmation of your transaction; and
- the end of the fifth business day after we issue your Units to you.

If you tell us in writing during your cooling-off period you want to withdraw your investment, then we will return your money to you and no fees will apply. However, if your Units have already been issued to you, then they will be redeemed at the Unit price on the day of the redemption which may be different (higher or lower) to the price at which they were issued. There may also be some tax consequences which arose during the holding period (however brief).

If you are a Wholesale Client, the cooling-off period is not available to you.

## 8. Additional information

### 8.1 Related party transactions and conflicts of interest

In our position as responsible entity of the Fund we may from time to time face conflicts between our duties to the Fund, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

We may from time-to-time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

We are authorised under the Fund's Constitution to appoint any third party (including a related entity) to perform the duties we are authorised to perform as responsible entity of the Fund, including for example in respect to administration and registry services. For the avoidance of doubt, we may change any appointed third party from time to time, without notice to you.

### 8.2 Disclosure obligations

If the Fund has 100 or more Unit holders, it becomes a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. As at the date of this PDS, the Fund is a disclosing entity. However, this may change in the future. We will follow ASIC's good practice guidance in satisfying our continuous disclosure obligations via website notices. Information and continuous disclosure notices for the Fund will be available by going to [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm) or by calling 02 8277 0000 during business hours.