

Other Material Information

First Sentier Investors
(NZ) Scheme

Dated 16 April 2021

Issued by Implemented Investment Solutions Limited



First Sentier
Investors

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Introduction

This is an important document in relation to your investment in the First Sentier Investors (NZ) Scheme ('Scheme') and should be read together with the Product Disclosure Statement ('PDS'), the Statement of Investment Policies and Objectives ('SIPO') and other documents held on the register at www.companiesoffice.govt.nz/disclose ('Disclose Register'). If you are a retail investor you must be given a copy of the latest PDS before we can accept your application for units.

This Other Material Information Document ('Document') has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 ('FMC Act') and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 ('FMC Regulations'). All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

In this Document, 'you' or 'your' refers to a person or entity that invests in the Scheme, whether directly or through a wrap platform or similar administration and custodial service. If you hold units through a wrap platform or similar administration and custodial service, please note page 3 'Investing through administration and custodial services (e.g. wrap platforms)'. In these circumstances, the investor is the wrap platform, and references to 'you' or 'your' are to the wrap platform. 'We', 'us', 'our' or 'IIS' refers to Implemented Investment Solutions Limited as the Manager of the Scheme. When we use the word 'current' or 'currently' in relation to any legislation, regulation, policy, information, activity or practice, we refer to these at the date of this Document. Any legislation, regulation, policy, information, activity or practice may be reviewed or changed without us notifying you.

Capitalised terms have the same meaning as in the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed ('Trust Deed'), unless they are otherwise defined in this Document.

Other information on the Fund

This document relates to the offer of Units in the First Sentier Global Listed Infrastructure Fund (the 'Fund').

The Fund is constituted within a managed investment scheme called the First Sentier Investors (NZ) Scheme. The Scheme is governed by the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed dated 15 April 2021. The Fund invests in accordance with its statement of investment policy and objectives ('SIPO'). You can get an electronic copy of the Trust Deed and SIPO from the scheme register on the Disclose website www.companiesoffice.govt.nz/disclose.

Investing through administration and custodial services

The Fund is offered through certain administration and custodial services. These include 'wrap platforms'. When you invest through an administration and custodial service you do not hold Units in the Fund directly. Instead, your Units are held in the name of a custodial entity for the wrap platform on your behalf. This means many of the legal rights attaching to those Units are held by that custodial entity rather than by you, and so your ability to exercise those rights is subject to the terms and conditions agreed between you and the provider of the service. You are encouraged to familiarise yourself with those terms and conditions as set out in service provider's marketing and legal documentation.

Other information on the parties involved

Manager

Implemented Investment Solutions Limited ('IIS') is a fund management company specialising in establishing and managing New Zealand-domiciled funds. With a deep understanding of New Zealand's investment management industry, IIS works with both local and global investment managers to enable investors to access these specialist managers' investment expertise within funds and solutions that have been tailored for New Zealand's tax and legislative environment.

IIS was granted a licence to act as the manager of a registered managed investment scheme under the FMC Act by the Financial Markets Authority ('FMA') on 25 August 2015. The licence is subject to us maintaining the same or better standard of capability, governance and compliance as was the case when the FMA assessed our licence application. The licence is subject to the normal conditions imposed under the FMC Act and the FMC Regulations, and the standard conditions imposed by the FMA.

The names and contact details for directors and information on the shareholders of IIS are available at www.companiesoffice.govt.nz/companies. This information may change from time to time without notice to you.

Investment Manager

First Sentier Investors (Australia) IM Ltd ('First Sentier Investors') has been appointed as investment manager of the part of the Fund. First Sentier Investors is part of a global asset management group focused on providing high quality, long-term investment capabilities to clients. It brings together teams of specialist investment managers who share its common commitment to responsible investment principles.

The global First Sentier Investors group is a stand-alone asset management business and also home to a number of individually branded investment teams, such as Stewart Investors, FSSA Investment Managers and Realindex.

All investment teams operate with discrete investment autonomy, according to their investment philosophies. Together, the group offers a comprehensive suite of investment capabilities across global and regional equities, cash and fixed income, infrastructure and multi-asset solutions, all with a shared purpose to deliver sustainable investment success.

First Sentier Investors has been managing money with a long-term outlook for more than 30 years and today manages more than A\$228 billion¹ of assets on behalf of institutional investors, pension funds, wholesale distributors and platforms, financial advisers and their clients.

First Sentier Investors is ultimately owned by Mitsubishi UFJ Financial Group, Inc., one of the world's largest financial services companies.

Further information on First Sentier Investors, including information on First Sentier Investors executives, may be found at www.firstsentierinvestors.com.

First Sentier Investors is responsible for investing the assets of the Fund in compliance with investment guidelines agreed between the Manager and the Investment Manager from time to time. The investment guidelines are set to ensure the Fund remains invested within limits documented in the SIPO.

1. As at 31 December 2020

Supervisor

The Supervisor of the Scheme is Public Trust. Public Trust is independent of us.

Public Trust is a statutory corporation and Crown entity established and constituted in New Zealand on 1 March 2002 under the Public Trust Act 2001.

The Supervisor is responsible for supervision of IIS and the Scheme, including:

- Acting on behalf of the Scheme's investors in relation to IIS and any contravention of IIS's issuer obligations;
- Supervising the performance by IIS of its functions and the financial position of IIS and the Scheme; and
- Holding the Scheme's assets or ensuring that the assets are held in accordance with applicable legislative requirements.

The Supervisor was granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of managed funds such as the Scheme for a term expiring on 16 January 2023. Full details and conditions which apply in respect of the current licence can be found on <http://www.publictrust.co.nz/corporate-trustee-services/who-are-we>.

Custodian

BNP Paribas Fund Services Australasia Pty Limited ('BNP') is the Custodian of the assets of the Fund. Assets of the Fund may be registered in the name of BNP Paribas Nominees (NZ) Limited, a subsidiary of the Custodian.

As required by the FMC Act, the Custodian is independent of us.

Administration Manager

IIS has appointed BNP as the administration manager for the Scheme. Key roles undertaken by BNP include:

- Unit pricing; and
- Fund accounting.

Registry Manager

IIS has appointed MMC Limited to provide registry services to the Scheme.

Other

Other key parties currently employed by IIS are:

Party	Role
PricewaterhouseCoopers	Auditor
Chapman Tripp	Legal adviser

Manager and Supervisor's Indemnity

Both we and the Supervisor are entitled to be indemnified out of the Scheme.

The indemnity covers losses, costs, and expenses incurred by the us and the supervisor in performing any of our respective duties or exercising any of their respective powers in relation to the Scheme pursuant to the Trust Deed. The indemnity also covers all actions, proceedings, costs, claims and demands in respect of any matter or thing relating to the Scheme, including all actions or omissions in relation to the offer and issue of Units.

We and the supervisor shall not be personally responsible for any loss or damage resulting from any act, omission, neglect, mistake or default in relation to the Scheme.

The indemnity ranks in priority to the claims of investors. It is subject to the limits on permitted indemnities under the FMC Act which only make the indemnity available in relation to the proper performance of the duties under the FMC Act.

Material Contracts

The following material contracts are in place in relation to the Scheme:

- On 20 June 2013, First State Investments (NZ) Limited and Public Trust entered into the First State Investments (NZ) Wholesale Trusts Trust Deed, which established the First State Investments Global Listed Infrastructure Fund.
- On 10 August 2018, we, Public Trust and First State Investments (NZ) Limited entered into a Deed of Retirement and Appointment, which saw First State Investments (NZ) Limited retire as manager under the First State Investments (NZ) Wholesale Trusts Trust Deed and IIS appointed as replacement manager.
- On 22 September 2020, we and Public Trust entered into a supplemental deed to the First State Investments (NZ) Wholesale Trusts Trust Deed, renaming it the First Sentier Investors (NZ) Wholesale Trusts Trust Deed, and changing the name of the Fund to the First Sentier Global Listed Infrastructure Fund
- On 15 April 2021, we and Public Trust entered into a deed of amendment to the First Sentier Investors (NZ) Wholesale Trusts Trust Deed. The amendment enable the First Sentier Investors (NZ) Wholesale Trusts Trust Deed to be suitable for an offer registered under the FMC Act.
- On 1 December 2016, we entered into a Supervisor Reporting Agreement with the Supervisor that sets out the arrangements between us and the Supervisor in relation to certain operational matters relating to the Fund. The Supervisor Reporting Agreement specifies the reporting and information to be provided by us to the Supervisor, the requirements for operating the Fund's bank accounts and record-keeping. Nothing in the Supervisor Reporting Agreement limits or alters the powers of the Supervisor or our duties under the Trust Deed and applicable law.
- On 1 December 2016, we and BNP Paribas Fund Services Australasia Pty Ltd entered into an Administration Agreement under which Implemented Investment Solutions Limited delegated certain administrative functions in relation to the certain funds to BNP Paribas, including registry, fund accounting and unit pricing. Services in relation to the First State Investments Global Listed Infrastructure Fund were added to this agreement in August 2018. The associated service level agreement was updated to remove the provision of registry services to the Fund, when this function was transferred to MMC on 14 October 2019.
- On 10 August 2020, we entered into an Investment Management Agreement with Colonial First State Asset Management (Australia) Limited. This agreement was amended with effect from 15 April 2021 to be with First Sentier Investors. Under the agreement, First Sentier Investors is responsible for investment of assets of the Fund under normal market terms.
- On 10 August 2020, we entered into an Fund Hosting Agreement with Colonial First State Asset Management (Australia) Limited. This agreement was amended with effect from 15 April 2021 to be with First Sentier Investors, and formalises the framework within which IIS is engaged by First Sentier Investors to establish and manage the Scheme. Under this agreement IIS is responsible for issuing, administering, and managing the Scheme, with First Sentier Investors being appointed as the Investment Manager and distributor of the Fund. The agreement covers broadly the investment management, administration and distribution of the Scheme and the Fund, branding, advertising and the preparation of offer documents.

Disclosure of Interests

Investments in the Fund by related parties

Parties related to the Fund, including the staff of First Sentier Investors and their families, and the staff of Implemented Investment Solutions and their families may from time to time invest in the Fund.

Management of conflicts of interest

The FMC Act imposes certain statutory controls on related party transactions.

We have built these statutory controls into our internal compliance processes and procedures. We also have a Conflicts of Interest and Related Party Transactions Policy and Procedure ('Policy') which extends the statutory duties imposed on us to our staff members.

The Policy defines what a conflict of interest is and provides for reporting and disclosure of conflicts of interest to the Board, Manager and Directors.

Explanation of Key Terms

The information below is a summary of the key provisions of the Trust Deed. For a detailed description of the Fund's governing terms, please refer to the Trust Deed held on the Disclose Register. If there is any conflict between information in this Other Material Information document and the terms of the Trust Deed then the terms of the Trust Deed prevail.

Making an application

The application process is described in the PDS.

Issue price

If we accept your application, you will be issued Units in the Fund at the Issue Price. The Issue Price is the Net Asset Value per Unit in the Fund, plus an amount per Unit calculated to reflect the cost of acquiring investments following the issue of Units ('buy spread') and other administrative costs relating to the sale or issue of units. For the current buy spreads for the Fund see www.iisolutions.co.nz/fund-hosting/documents-and-reporting/.

The value of the assets held by the Scheme and the net asset value of the Fund will be determined in accordance with the Scheme's Trust Deed and on a consistently applied basis.

If an application is received and accepted before the cut-off time for the Fund, Units will be issued at the Issue Price determined as at the end of that day. If an application is received and accepted at or after the cut-off time, Units will be issued at the Issue Price determined as at the end of the following Business Day.

The cut-off time for the receipt of applications and cleared funds for the Fund is currently 2:30pm New Zealand time.

If a payment is dishonoured or reversed, no Units will be issued in respect of that payment or any Units issued based on that payment will be cancelled.

Charges

Buy/sell spreads

The Issue Price includes a buy spread that provides for the cost of acquiring investments in the Fund. The Redemption Price includes a sell spread that provides for the cost of realising investments in the Fund. For the most up to date buy/sell spreads see www.iisolutions.co.nz/fund-hosting/documents-and-reporting/.

We review the buy/sell spreads from time to time.

Annual fund charges

The annual fund charges (which includes any management fees) are outlined in the PDS for the Fund. The Fund charges include fees and costs charged by us, the supervisor, custodian, administrator, investment manager, registrar and auditor. It may also include professional fees (for example for legal and tax advice) and index license costs. These charges may be directly charged to the Fund, or recovered by us from the Fund.

The GST treatment of each of these components varies. For example, GST is charged at 15% on the audit fee and custody fees are an exempt supply for the purposes of GST. The percentages of these fee components within the annual fund charges vary, and may change in the future, which is why the aggregate amount of GST needs to be estimated in the PDS. The GST estimate is based on the GST charged on the assumed fee amounts of each component within the annual fund charges.

The Fund charges are calculated daily and paid monthly in arrears. We may waive or decrease the Fund charges without notice. Subject to any maximum amount in the PDS we may increase the management fee; or provided that any such fee is permitted, we may charge an additional fee not currently being charged by giving you at least three months' notice.

The Fund charges above include any investment management fees deducted within an underlying fund or paid to an underlying investment manager.

Manager's termination fees

If the Fund terminates, we may charge the Fund a fee and recover costs and disbursements from the Fund for matters relating to termination. You may ask us how much that fee was following termination. Further information on termination fees recoverable by the Manager or Supervisor are contained in the Trust Deed.

Other charges

The Fund will incur other trading costs or exceptional expenses. These other expenses do not form part of the fund charges. Some of these expenses may be paid to us or the Administration Manager. There is no limit on these expenses, which will be shown in the Fund's financial statements.

Supervisor's other fees

The Supervisor may charge additional fees to the Fund for special services (e.g., on wind up of the Fund).

Initial service fee

While we have no current intention to do so, we may charge an initial service fee determined by us on the issue of any Unit. Any initial service fee, if it were to be charged, would be in addition to any buy spread.

Variation to fees

We may, in our absolute discretion, rebate the buy and sell spread and/or Fund charges (which includes management fees) by agreement, with an investor, or a group of investors.

Distributions

We expect to make six monthly distributions from the Fund for the March and September periods. We expect to pay distributions within 20 business days of the start of March and September respectively. You can elect for your distributions to be reinvested in the Fund. If you do not make a distribution election the default option is reinvestment. We can vary the method of calculation of distributions and the period between distributions (including suspending distributions) by providing three months' notice to you.

Amendments to the Trust Deed

We can agree with the Supervisor to change the Trust Deed in certain circumstances, without consulting you. This ability is, however, subject to certain protections (for your benefit) as set out in the Trust Deed.

Altering your investment

We may alter or introduce minimum application amounts, holding amounts, transfer amounts and redemption amounts for any Fund at any time. We may allow applications, holdings, transfers and redemptions for less than those minimums at our discretion.

We may decrease or waive the management fee for the Fund at any time without notice.

We can change the SIPO. Before making changes to the SIPO, we will consider if the changes are in your best interests and consult with the Supervisor. We will give notice of changes to investors in the Fund prior to effecting any material changes.

Payment of redemption requests may be suspended or deferred. Details of when this may occur are under the heading 'Redemption of units' in the section on page 6.

We may resolve to wind up the Fund. In that case, all assets of the Fund will be realised and the Fund wound up (as explained under the heading 'Insolvency or winding up' in the section on page 8).

If your holding in the Fund falls below the minimum holding amount fixed by us from time to time or if we determine that an adjustment for PIE tax would reduce your holding to below that minimum holding amount, we may redeem your entire holding and pay the net proceeds into your nominated bank account. We will give you at least one month's notice of our intention to do this.

The current minimum holding amount in the Fund fixed by us is 50,000 units.

We may take all steps necessary to ensure the Fund remains eligible to be a PIE. This includes our ability to compulsorily redeem some or all of your Units and pay the net proceeds to your nominated bank account.

Redemption of units

Minimum redemption amount

If a Redemption Request would cause your holding in the Fund to fall below the minimum holding amount (as determined by us from time to time) we may treat the Redemption Request as a request to redeem all your Units in the Fund.

If your holding falls below the minimum holding amount or to a level where an adjustment for PIE tax would leave your holding below the minimum holding amount, we may redeem all of your Units and pay the proceeds to your nominated bank account.

Redemption price

The Redemption Price of a Unit is determined on each Business Day for the Fund. If an investors' Redemption Request is received prior to the applicable cut-off time on a Business Day, the Redemption Price applicable to your Redemption Request will be the Redemption Price determined as at the end of that day. If your Redemption Request is received at or after the applicable cut-off time on a Business Day, the applicable Redemption Price will be the Redemption Price determined as at the end of the following Business Day.

Suspension of redemptions

We may suspend redemptions where we form the opinion that it is not desirable, or would be prejudicial to the interests of Unitholders in the Fund as a whole, or would threaten that Fund's eligibility for PIE status.

If redemptions are suspended, we must give notice to all investors who have made a Redemption Request. If the suspension is for a period of more than two weeks, we must give notice to all investors in the Fund.

The suspension will continue until six months after the date of the notice, except where we consider (after consultation with the Supervisor) that the suspension should continue because the criteria for such suspension continue to be met, in which case we will provide written notification to the Supervisor and all Unitholders in the relevant Fund of the continuation of the suspension.

Tax on redemptions

Where Units are redeemed, the tax liability on income allocated to you up to the redemption date will need to be satisfied either by us cancelling Units or by deduction from any distributions. Generally this will occur by cancellation of Units on redemption.

Right to sell units

You may sell and transfer all or any of your Units, (either to an existing investor or another person) by completing a Transfer Request Form, to be signed by the transferor and transferee. The transfer becomes effective when it is entered in the Register.

We may decline to register any transfer in our absolute discretion and without giving any reasons. Without limiting this discretion, we may decline a transfer due to:

- Non-compliance with any law or the provisions of the Trust Deed; or
- The transfer resulting in the transferee or the transferor holding less than the minimum holding or more than any maximum holding; or
- The transfer resulting in the Fund becoming ineligible as a PIE or threatening such eligibility.

No transfer of any Units can be registered unless any sums owed in respect of those Units (including any applicable PIE tax, or other duties or any commissions, fees and charges in respect of the transfer of the Units) have been paid.

Termination of the Fund

The Fund will terminate on the first of the following:

- the date on which we resolve in writing to wind up the Fund (provided we provide the Supervisor with a copy of that resolution);
- the date on which investors determine to terminate the Fund by Special Resolution;
- The date the Fund is required to be wound up pursuant to the FMC Act, the Trust Deed, by the Court or by operation of law.

Taxation

This section briefly summarises the taxation regime as it currently applies to the Fund. It is intended as a general guide only. There may be changes to the taxation legislation and tax rates in the future which may impact each Investor differently. Investors should always seek independent professional taxation advice for their individual circumstances.

Portfolio Investment Entity

The Fund has elected to be a Portfolio Investment Entity (a 'PIE fund').

At the date of this document, the Fund calculates the taxable income accruing from investments in global shares listed outside of New Zealand and Australia, and forward currency contracts used for the purposes of currency hedging, using the Fair Dividend Rate ('FDR') method. You can find more information on the FDR method on the IRD website (www.ird.govt.nz). Search for 'IR461'. The method of calculation of taxable income may change without notice.

Under the PIE tax regime, the Fund will allocate its taxable income to investors and, where applicable, pay tax on allocated income on behalf of investors for an investor with a prescribed investor rate ('PIR') of greater than zero. The Fund will undertake any necessary adjustments to an investor's interests in the Fund to reflect that the Fund pays tax at varying rates on behalf of investors.

Investors will not pay tax on distributions (if any) paid to investors from the Fund.

You can find out more about PIE funds and how they are taxed on the Inland Revenue website (www.ird.govt.nz). Search for 'PIE for Investors'.

Foreign residents

If an investor is not a New Zealand resident, the investor's allocated income from the Fund will be taxed at 28%. IIS will account to the IRD directly for tax on a non-resident investor's allocated income from the Fund.

General

Investors must advise IIS of their PIR and IRD number when applying to invest in the Fund and if their PIR changes at any time. If an investor does not provide their PIR to IIS they will automatically be taxed at the maximum default rate of 28%. If an investor provides a PIR lower than the correct PIR, they may need to pay any tax shortfall, plus interest, and penalties. If the default rate or the PIR advised by the investor is higher than the correct PIR, then any additional tax paid by the Fund on the investor's behalf may reduce their income tax liability for that income year and may give rise to a tax refund.

The Commissioner of Inland Revenue can require IIS to disregard a PIR notified by an investor if the Commissioner considers the rate to be incorrect. The rate specified by the Commissioner would then apply to that investor's attributed income.

Taxable income is attributed annually to 31 March, or at any time an investor withdraws all or part of their investment from the Fund.

If there is a tax loss or there are excess tax credits allocated to an investor for a period, these will generally be available to investors with a PIR other than 0% in the form of a rebate. The Fund will either re-invest this rebate by purchasing Units in the Fund on an investor's behalf in respect of annual attributions as at 31 March or include it in the net proceeds payable to that investor or applied on their behalf as a result of a full withdrawal. For non-individual investors with a 0% PIR, the tax loss or excess credits may be available for offset in that investor's tax return against other income, with any excess available to carry forward.

Neither the Supervisor, Manager nor any other person guarantees or provides undertakings in relation to the return of capital invested in the Fund by an investor, the payment of any return on capital, or provision of any distribution or payment of any money in relation to the Fund, or the performance of the Fund.

Other Risks

The PDS for the Fund describes the key risks associated with an investment in the Fund. Further information is provided below. Different investments have different types of risks. We recommend that you seek professional advice before investing in the Fund to understand what risks are associated with this investment, especially in relation to your circumstances.

Company risk: An investment into equities is exposed to risks due to changes in that company or its business environment. Changes to operations and/or management, distribution, legal involvement of the company and profit and loss announcements may affect the value of a Fund's security and subsequently the value of that Fund.

Cyber risk: There is a risk of fraud, data loss, business disruption or damage to the information of a Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Manager or other service providers.

Equities risk: Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes.

Fund risk: These are risks specific to the Fund. These risks include that the Fund could terminate; the fees and expenses of the Fund could change; IIS may be replaced as manager; the First Sentier Investor investment team may change; or that investing in the Fund may lead to a different result than investing in the market directly. IIS aims to keep fund risk to a minimum by monitoring the Fund and the investments of the Fund at all times and acting in investors' best interests.

Key person risk: This is the risk that key individuals are no longer able to fulfil their obligations in respect of the investment or administration of the Fund. IIS aims to ensure that all staff are highly qualified and capable of mitigating individual key personnel risk. IIS will ensure that it has sufficient resources to enable the Fund to continue unaffected should any member of the team be unable to fulfil their obligations.

Regulatory risk: This is the risk that domestic or international laws or regulations are changed adversely or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard. Regulatory risk is managed by IIS by regularly and closely reviewing changes in the law and seeking expert legal advice where necessary.

Administration risk: This is the risk that instructions in relation to your investments in the Fund have not been accurately relayed or processed or that fraudulent instructions are acted upon. IIS, the Investment Manager, and the Administrator will follow reasonable electronic instructions in good faith. Whilst we cannot always detect fraudulent instructions we will apply best endeavours to mitigate this risk.

Investment risk: The underlying investments of the Fund may fall in value. First Sentier Investors, as investment manager aims to reduce investment risk by limiting exposure to any one investment and with careful analysis of the underlying investment prior to investing. IIS holds regular meetings with First Sentier Investors to ensure that the underlying investments and investment process remains consistent with the investment objectives of the Fund.

Counterparty risk: The risk of loss resulting from the insolvency or bankruptcy of a counterparty used by the Investment Manager to execute trades. The Investment Manager aims to keep this risk to a minimum by only selecting counterparties that it considers appropriate for the Fund and by regularly monitoring the counterparties.

Interest risk: Changes in interest rates can influence the value and returns of investments.

PIE tax risk: The Fund may fail to satisfy the PIE eligibility criteria (as defined in the Income Tax Act 2007) and if that failure is not remedied within the period permitted under the Income Tax Act 2007, the Fund may lose its PIE status. In that case, under tax legislation in force as at the date of this Document, the Fund may be taxed as a company at 28% on all taxable income and any distributions and redemptions may become taxable income and any distributions and redemptions may become taxable to Unitholders. The Manager has implemented processes to monitor ongoing PIE eligibility compliance for the Fund, and has a number of powers under the Trust Deed available to it to proactively manage the risk.

Unitholders may incur a tax liability as a result of advising the wrong PIR or failing to advise the Manager when their PIR increases (except where an increase is due to a change in the statutory tax rates rather than a change in the Unitholder's income).

Operational risk: Risks may arise from a failure of processes and procedures, fraud, litigations, disruption to business by industrial disputes, systems failures, pandemics, natural disasters and other unforeseen external events which might affect the Manager's business or the Fund and its investments.

Force majeure risk: Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fires, floods, earthquakes, wars, strikes and acts of terrorism. Some force majeure risks are uninsurable and, if such events occur, they may have adverse effects on the Fund.

Risk of a claim on the fund: Under the Trust Deed, we and the Supervisor are entitled to be indemnified out of the Fund (see further details under the heading 'Manager's and Supervisor's indemnity')

If a claim is made on the Fund by us or the Supervisor or Manager, this may affect the Fund's ability to make payments to Unitholders.

How risks can affect an investment

The actual or perceived existence of risk may manifest itself in uncertainty, which in turn increases volatility of investment returns. When the collective sentiment of the market is positive, prices rise; when it is negative, prices fall. If specific risks eventuate a total loss of capital may occur. Each investment will be affected by a different combination of risks.

Because of these risks, it is foreseeable that an investor may receive back less than the capital invested by the investor into the Fund. However, the investor will not be required to pay more money than the amount the investor invested in the Fund (with the exception of any PIE tax liability that may be incurred).

Insolvency or winding up

You will not be liable to pay money to any person as a result of the insolvency or winding up of the Fund (except as described below).

You will be liable to meet any tax liability attributable to you which exceeds the value of your investment in the Fund (in which case you indemnify the Supervisor for the difference between the value of the Units and the tax liability). A custodian that holds legal title to Units on behalf of underlying investors and elects to be a proxy for PIE investors will, under the terms of the application form attached to the PDS, be asked to indemnify us and the Supervisor for any losses, liabilities, costs or expenses arising from any breach (in relation to underlying investors that such custodian is responsible for) of the investor interest size requirements or the investor membership requirements under the Income Tax Act 2007, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

On insolvency or winding up of the Fund, the assets of the Fund are first applied to meet the claims of any creditors of the Fund (whether preferred, secured or unsecured), which includes our and the Supervisor's claims for fees and expenses. Following this, the remainder of the assets of the Fund will be distributed to investors in proportion to the number of Units held.

At the date of this Document there are no other claims on the assets of the Scheme that rank ahead of or equally with the claims of investors. In certain circumstances, you may receive assets other than cash (e.g. securities in another investment held by the Fund) as part of a wind up.

Further information on market indices

The returns of the Fund are measured against the market index described in the SIPO. More information about this market index can be found at the following web page:

– www.ftserussell.com

No guarantee

None of the Supervisor, the Manager, Investment Manager nor any other person guarantees or provides undertakings in relation to the return of capital invested in the Fund by an Investor, the payment of any return on capital, or provision of any distribution or payment of any money in relation to the Fund, or the performance of the Fund.