

# First Sentier Investors (NZ) Scheme

Other Material Information

Dated 13 April 2023

Issued by FundRock NZ Limited



**First Sentier**  
Investors

## CONTENTS

<b>Introduction</b>	<b>3</b>
<b>Other information on the Fund</b>	<b>3</b>
Investing through administration and custodial services	3
<b>Other information on the parties involved</b>	<b>3</b>
Manager	3
Investment Manager	3
Supervisor	3
Custodian	3
Administration Manager	4
Registry Manager	4
Other	4
Manager and Supervisor's Indemnity	4
<b>Material Contracts</b>	<b>4</b>
<b>Disclosure of Interests</b>	<b>5</b>
Investments in the Fund by related parties	5
Apex Investment Administration (NZ) Limited	5
Management of conflicts of interest	5
<b>Explanation of Key Terms</b>	<b>5</b>
Making an application	5
Issue price	5
<b>Charges</b>	<b>5</b>
Buy/sell spreads	5
Annual fund charges	5
Manager's termination fees	5
Other charges	6
Supervisor's other fees	6
Initial service fee	6
Variation to fees	6

<b>Distributions</b>	<b>6</b>
<b>Amendments to the Trust Deed</b>	<b>6</b>
<b>Altering your investment</b>	<b>6</b>
<b>Withdrawal of units</b>	<b>6</b>
Minimum withdrawal amount	6
Withdrawal price	6
Suspension of withdrawals	6
Tax on withdrawals	6
Right to sell units	6
<b>Termination of the Fund</b>	<b>7</b>
<b>Taxation</b>	<b>7</b>
Portfolio Investment Entity	7
Foreign residents	7
General	7
<b>Other Risks</b>	<b>7</b>
How risks can affect an investment	8
Insolvency or winding up	8
<b>Further information on market indices</b>	<b>8</b>
<b>No guarantee</b>	<b>8</b>
<b>Responsible Investment</b>	<b>8</b>

## 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 Policy and Objectives ('SIPO') and other documents held on the register at [www.companiesoffice.govt.nz/disclose](http://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](http://www.legislation.govt.nz).

In this Document, 'you' or 'your' refers to a person or entity that invests in the First Sentier Responsible Listed Infrastructure Fund (the 'Fund'), 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 refer to the 'Investing through administration and custodial services' section. In these circumstances, the investor is the wrap platform, and references to 'you' or 'your' are to the wrap platform. 'We', 'us', 'our' or 'FundRock' refers to FundRock NZ 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 Fund.

The Fund is constituted within a managed investment scheme called the First Sentier Investors (NZ) Scheme, registered scheme number SCH13089. The Scheme is governed by the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed dated 15 April 2021. The Fund is invested in accordance with its SIPO. You can get an electronic copy of the Trust Deed and SIPO from the scheme register on the Disclose Register [www.companiesoffice.govt.nz/disclose](http://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

FundRock 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, FundRock 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.

FundRock was granted a licence to act as the manager of a registered 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 FundRock are available at [www.companiesoffice.govt.nz/companies](http://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' or 'Investment Manager') has been appointed as Investment Manager of the Fund. See the PDS for more information on First Sentier Investors.

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.

### 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 FundRock and the Scheme, including:

- acting on behalf of the Fund's investors in relation to FundRock and any contravention of FundRock's issuer obligations;
- supervising the performance by FundRock of its functions and the financial position of FundRock and the Scheme; and
- holding the Fund'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.

### 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

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

- Unit pricing; and
- Fund accounting.

## Registry Manager

FundRock has appointed Apex Investment Administration (NZ) Limited ('Apex NZ') to provide registry services to the Scheme.

## Other

Other key parties currently employed by FundRock 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 us and the supervisor in performing any of their 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 FundRock 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 renaming it the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed. The amendment enabled the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed to be suitable for offers 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 Funds' 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 FundRock delegated certain administrative functions in relation to certain funds to BNP, including fund accounting and unit pricing.
- On 26 August 2016, we and Apex NZ entered into an Administration Agreement under which we delegated certain administrative functions in relation to certain funds to Apex NZ, including registry, fund accounting and unit pricing.
- On 10 August 2018, 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 reflect the change in company name for the investment manager to First Sentier Investors (Australia) IM Ltd. Under the agreement, First Sentier Investors is responsible for investment of assets of the Fund under normal market terms. On 19 September 2022, First Sentier Investors and FundRock updated the current agreement to reflect the Fund name change from First Sentier Global Listed Infrastructure Fund to First Sentier Responsible Listed Infrastructure Fund and the changed investment mandate.
- On 10 August 2018, we entered into a Fund Hosting Agreement with Colonial First State Asset Management (Australia) Limited. This agreement was amended with effect from 15 April 2021 to reflect the change in company name for the investment manager to First Sentier Investors (Australia) IM Ltd, and formalises the framework within which FundRock is engaged by First Sentier Investors to establish and manage the scheme(s) established under the First Sentier Investors (NZ) Managed Investment Schemes Trust Deed. Under this agreement FundRock 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. On 19 September 2022, First Sentier Investors and FundRock updated the current agreement to reflect the Fund name change from First Sentier Global Listed Infrastructure Fund to First Sentier Responsible Listed Infrastructure Fund.

## Disclosure of interests

### Investments in the Fund by related parties

Parties related to the Fund, including the staff and families of all parties listed in the 'Other information on the parties involved' section, may from time to time invest in the Fund.

### Apex Investment Administration (NZ) Limited

Both we, and the Scheme's registry manager, Apex Investment Administration (NZ) Limited, are ultimately owned by Apex Group Limited. This common ownership may influence us to agree commercial terms with Apex NZ that are more favourable to Apex NZ than would otherwise be the case. If that happened, it would benefit the interests of Apex NZ at the expense of the interests of investors. We manage this potential conflict of interest by certifying to the Supervisor that the arrangement with Apex NZ is on arms' length commercial terms and by complying with our Conflicts of Interest Policy in respect of our relationship with Apex NZ.

### Management of conflicts of interest

The FMC Act imposes statutory controls on related party transactions and conflicts of interest:

- A related party transaction in respect of the Fund may only be done if the details are notified to the Supervisor and we: 1) certify the transaction (or series of transactions) is 'permitted' on the basis that the transaction is on arm's length terms, or 2) we obtain the Supervisor's consent on the basis that it is in the best interests of investors, or contingent on Special Resolution approval by investors.
- As Manager of the Fund, we are subject to various statutory duties in the performance of our duties as manager, including the requirement to act honestly and in the best interests of investors.
- Where we contract out our functions to other parties, such as the investment management of the Fund to First Sentier Investors, we must ensure the persons to whom we contract those functions perform them to the same standard and are subject to the same duties and restrictions as if we were performing them ourselves. These include the statutory duties referred to above. We must also monitor the performance of that function.
- First Sentier Investors, as Investment Manager of the Fund, must comply with a professional standard of care i.e. in exercising any powers, or performing any duties as investment manager, they must exercise the care, diligence, and skill that a prudent person engaged in the profession of investment management would exercise in the same circumstances.

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 scheme register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) ('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.fundrock.com](http://www.fundrock.com). The issue price of a unit is generally determined on each business day ('Valuation Date').

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 of the Fund on a Valuation Date, units will be issued at the issue price determined as at the end of the Valuation Date (unless we determine otherwise at our discretion). If an application is received and accepted at or after the cut-off time on a Valuation Date, units will be issued at the issue price determined as at the end of the following Valuation Date (unless we determine otherwise at our discretion).

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 withdrawal 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.fundrock.com](http://www.fundrock.com).

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 annual 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 annual fund charges are calculated daily and paid monthly in arrears. We may waive or decrease the annual 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 annual fund charges stated in the PDS 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 intend to pay six-monthly distributions from the Fund for the March and September periods. Distribution payments are expected to be made within 20 business days of the start of March and September respectively. You can elect for your distributions to be paid to your nominated bank account, or 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 withdrawal requests may be suspended or deferred. Details of when this may occur are included in the 'Withdrawal of units' section.

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 in the 'Insolvency or winding up' section).

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 withdraw 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 worth of 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 in order to ensure that the Fund maintains its eligibility as a PIE.

## Withdrawal of units

### Minimum withdrawal amount

If a withdrawal 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 withdrawal request as a request to withdraw 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 withdraw all of your units and pay the proceeds to your nominated bank account.

### Withdrawal price

The withdrawal price of a unit is determined on each business day for the Fund. If an investors' withdrawal request is received prior to the applicable cut-off time on a business day, the withdrawal price applicable to your withdrawal request will be the withdrawal price determined as at the end of the Valuation Date (unless we determine otherwise at our discretion). If your withdrawal request is received at or after the applicable cut-off time on a business day, the applicable withdrawal price will be the withdrawal price determined as at the end of the following Valuation Date (unless we determine otherwise at our discretion).

### Suspension of withdrawals

We may suspend withdrawals 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 withdrawals are suspended, we must give notice to all investors who have made a withdrawal 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 withdrawals

Where units are withdrawn, the tax liability on income allocated to you up to the withdrawal 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 withdrawal.

### 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; or
- 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](http://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](http://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%. FundRock will account to the IRD directly for tax on a non-resident investor's allocated income from the Fund.

### General

Investors must advise FundRock of their PIR and IRD number when applying to invest in the Fund and if their PIR changes at any time. If a New Zealand resident investor has not provided their IRD number to the PIE, after 6 weeks, the PIE is required to close the investor's account and return any funds to them. If an investor does not provide their PIR to FundRock they will automatically be taxed at the maximum default rate of 28%. If the rate applied to an investor's PIE income is lower than the correct PIR, the investor will be required to pay any tax shortfall, as part of the income tax year-end process. If the rate applied to an investor's PIE income is higher than the correct PIR any tax over-withheld will be used to reduce any income tax liability of the investor for the tax year and any remaining amount will be refunded to the investor.

The Commissioner of Inland Revenue can require FundRock 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.

**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.

**Integrated financial product risk:** An integrated financial product is one that incorporates non-financial factors alongside financial factors when making investment decisions. The Fund focuses on infrastructure companies that are delivering sustainable solutions from an environmental, social and economic point of view; and that are seeking to contribute to, or benefit from, sustainable development. There is a risk that the Fund may not achieve its non-financial goals and may therefore not deliver the intended outcomes for those people who invested in the Fund for these non-financial factors. The non-achievement of non-financial goals could be consequent upon either limitations in the available data whether in respect of a specific security or the overall investment universe or otherwise the receipt of inaccurate data from third party data service providers. Should this risk eventuate, it may cause the need for divestment and changes to security weightings that otherwise may not have been required.

**Operational risk:** The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as third party failures or crisis events. Such changes may result in the Fund failing to achieve its investment objectives.

**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).

**Regulatory and tax risk:** Governments or regulators may pass laws, make changes to taxation laws, create policy or implement an existing policy that may affect the Fund as a whole or individual securities or the Investment Manager's ability to execute strategies. This may affect either a particular transaction or market, and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. Regulatory risk is managed by FundRock by regularly and closely reviewing changes in the law and seeking expert legal advice where necessary.

**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, this may affect the Fund's ability to make payments to unitholders.

**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. FundRock aims to ensure that all staff are highly qualified and capable of mitigating individual key personnel risk. FundRock 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.

**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. FundRock, 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.

**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.

## 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 website: [www.ftserussell.com](http://www.ftserussell.com)

## No guarantee

None of the Supervisor, the Manager, Investment Manager nor their respective directors and shareholders, 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, any particular rate of return, provision of any distribution or payment of any money in relation to the Fund, or the performance of the Fund. An investor's investment is not secured against any assets.

## Responsible Investment

The non-financial outcomes which the Fund sets out to achieve, are set out in the SIPO.

The United Nations Sustainable Development Goals, serve as the framework for analysing and assessing how investments and how the Investment Manager contributes to sustainable development.

The intended outcomes of the Fund are beneficial to investors because:

- Companies that provide essential services to modern society, making them less sensitive to the economic cycle.
- Companies that are contributing to or benefitting from sustainable development, as guided by the United Nations' Sustainable Development Goals.
- Potential growth, being driven by long term themes such as the build-out of renewable energy; the need to ease urban congestion; and increasing reliance on mobile data.
- The expertise of a highly experienced investment team of infrastructure specialists.

If there are unforeseen circumstances and incidents, the Investment Manager will apply its own judgement as set out in the SIPO in order to determine whether an investment continues to contribute to sustainable development. Given the investment experience across the First Sentier Responsible Listed Infrastructure team, companies and markets are understood intimately and the team believes they are best positioned to form a view on a company's approach to Environmental, Social and Governance ('ESG') and the materiality of ESG issues. To supplement the team's internal research, various external ESG research services (as at the date of this OMI, Sustainalytics, RepRisk, MSCI and Institutional Shareholder Services) are employed.

The FundRock Board has responsibility for monitoring all aspects of the Fund's performance. The FundRock Board aims to meet at least quarterly.