MICROEQUITIES VALUE INCOME FUND



ADDITIONAL INFORMATION TO THE PRODUCT DISCLOSURE STATEMENT
6 NOVEMBER 2026

MICROEQUITIES VALUE INCOME FUND
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THIS DOCUMENT IS ISSUED BY THE TRUST COMPANY (RE SERVICES) LIMITED
ABN 45 003 278 831 | AUSTRALIAN FINANCIAL SERVICES LICENCE (AFSL) NUMBER 235150

MAM
Microequities Asset Management

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The information in this document forms part of the Product Disclosure Statement (**PDS**) for the Microequities Value Income Fund (**Fund**) dated 6 November 2026 (AIB). **You should read and consider this information together with the PDS before making a decision about the Fund.**

This document is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, Australian Financial Services Licence (**AFSL**) number 235150 (**Responsible Entity, we, us, our**), the responsible entity for the Microequities Value Income Fund ARSN 629 674 175. The investment manager of the Fund is Microequities Asset Management Pty Ltd ABN 96 134 984 768 (**Investment Manager**), a corporate authorised representative (CAR) number 462 438 and wholly owned subsidiary of Microequities Asset Management Group Limited AFSL number 287526 (**Microequities**). The administrator and unit registrar of the Fund is Apex Fund Services Pty Limited ACN 118 902 891 (**Apex**).

This additional information is general information only and does not take into account your personal objectives, financial situation or needs. You should obtain a copy of the PDS and consider the appropriateness of the information in this AIB and the PDS having regard to your personal objectives, financial situation and needs before acting on the information contained in this AIB and the PDS. You may wish to obtain financial advice tailored to your personal circumstances. The information in this AIB is up to date as at the date of issue; however, some information may change from time to time. If a change is considered materially adverse, we will issue a replacement PDS. We may update information in the PDS, including this AIB, where it is not materially adverse to investors. The updated information will be available on the Investment Manager's website (www.microequities.com.au/valueincomefund). Please check the Investment Manager's website, contact your financial adviser or call Apex on 1300 133 451 for any updates prior to investing. A paper copy of any updates will be provided free of charge on request.

CONTACT DETAILS

If you have any questions or would like more information about the Fund, you may contact the Responsible Entity or the Investment Manager:

RESPONSIBLE ENTITY

The Trust Company (RE Services) Limited
Level 14, 123 Pitt Street, Sydney NSW 2000
www.perpetual.com.au
02 9229 9000

INVESTMENT MANAGER

Microequities Asset Management Pty Ltd
Level 31, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000
www.microequities.com.au
02 9009 2900

ADMINISTRATOR & UNIT REGISTRAR

(Office premises)
Apex Fund Services Pty Limited
Level 10, 12 Shelley St, Sydney NSW 2001

(Mailing address)
Apex Fund Services Pty Limited
GPO Box 4968, Sydney NSW 2000

www.apexgroup.com
1300 133 451

1. ABOUT THE TRUST COMPANY (RE SERVICES) LIMITED

There is no additional information in this section. Refer to the PDS.

2. HOW THE MICROEQUITIES VALUE INCOME FUND WORKS

Details of how to make your initial investment are outlined in section 8 ' How to apply' of the PDS.

MAKING AN ADDITIONAL APPLICATION

If you wish to make additional investments in the Fund, please download a copy of the current PDS, the additional important information and any updates. A paper copy of the current PDS, the additional important information and any updates are available free of charge by visiting www.microequities.com.au/valueincomefund or by calling Apex on 1300 133 451.

DIRECT INVESTORS

If you are a direct investor, you can add to your investment at any time by mailing, emailing or faxing us an additional application form. The form is available from www.microequities.com.au/valueincomefund or by calling Apex on 1300 133 451, or by sending your signed written instructions to Apex via mail, email or fax to +61 2 9251 3525. Additional investments can be made via electronic funds transfer (**EFT**) or cheque. If you are paying by EFT, please call Apex on 1300 133 451 or email registry@apexgroup.com. Alternatively, if you are making your additional investment via cheque, you can send your written instructions to Apex. Please attach your cheque to the instructions and ensure the instructions include your account number, the full name(s) in which your investment account is held, the amount you wish to invest and a daytime telephone number.

The minimum additional investment is $5,000.

INDIRECT INVESTORS

You must complete the documentation which your master trust or wrap account operator requires.

ABOUT YOUR APPLICATION MONEY

Application money will be held in a bank account until invested in the Fund or returned to you. Once we receive your completed application form, the monies held will be divided by the next determined Unit Price to calculate the number of units allocated to you. Monies held in the bank account will generally be held for a maximum period of one month commencing on the date we receive the monies. Any interest paid on that account will be paid to the Fund and not to you, regardless of whether your application is successful.

INCOMPLETE OR REJECTED APPLICATION FORMS

We are not bound to accept an application and we accept no responsibility for applications that have been sent to an incorrect address or for funds that are paid to an incorrect account. You are responsible for ensuring that the application form is completed correctly and that you use the correct contact details. Your application may be delayed or not processed if you:

- do not provide the information requested,
- provide us with incomplete or inaccurate information, or
- send your application to an incorrect address.

We will not be liable to any prospective investor for any losses incurred, including from market movements, if an application is rejected or the processing of an application is delayed.

AMENDING YOUR INVESTOR DETAILS

To amend any details in regard to your investment, please send Apex your written instructions or change of details form signed by the appropriate authorised signatory(ies). If we cannot satisfactorily identify you as the investor, we may either reject and refuse to process, or delay making the requested change(s) until we can confirm that the amendment instruction we have received is valid.

You may either mail, email or fax changes relating to your account with the exception of changes relating to your nominated bank account, which we require to be sent by mail. To enable us to verify that the bank account is in the name of the investor, please include either a copy of the bank statement or a deposit slip for the new account.

PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with applicable laws. If you do not provide this information, we may not be able to do so. We may disclose your personal information to our related entities and to service providers who perform a range of services on our behalf. These recipients may be located in Australia or overseas.

We collect, use and disclose personal information in accordance with the *Privacy Act 1988* (Cth) and our privacy policy. Our privacy policy includes information about:

- the types of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information;
- how you may access and seek correction of your personal information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds us, and how we will handle such a complaint;
- whether personal information is likely to be disclosed to overseas recipients and, where practicable, the countries in which such recipients are likely to be located.

Our privacy policy is publicly available at our website at www.perpetual.com.au or you can obtain a copy free of charge by contacting us.

If you are investing indirectly through a master trust or wrap account, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your master trust or wrap account operator for more information about their privacy policy.

ANTI-MONEY LAUNDERING & COUNTER-TERRORISM FINANCING

The AML Act and other applicable anti-money laundering and counter-terrorism laws, regulations, rules and policies which apply to the Responsible Entity (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). In order to comply with the AML Requirements, the Responsible Entity is required, amongst other things:

- to verify your identity and the source of your application monies (which may include enhanced verification or due diligence on persons associated with you) before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity (and where applicable, persons associated with you), keep a record of this documentation.

The Responsible Entity and Apex as its agent (collectively, the **Entities**) reserve the right to request such information as is necessary to verify your identity (which may include requesting such information as necessary to verify persons associated with you) and the source of the payment. You must provide true and complete information or documentation at all times, and failure to do so may result in an offence under other applicable laws. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you because of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented several measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML Requirements as they apply to the Fund; and
- the Entities may from time to time require additional information from you to assist them in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer because of their compliance with the AML Requirements.

MAKING A WITHDRAWAL

You may redeem some or all of your units by either mailing, emailing or faxing a completed withdrawal form which can be downloaded from the Investment Manager's website, or by sending Apex your written instructions. The minimum withdrawal amount is $5,000 or your investment balance if it is less than $20,000.

Requests to withdraw must be signed by the appropriate authorised signatory(ies). If we cannot satisfactorily identify you as the redeeming investor, we may either reject and refuse to process, or delay your withdrawal until we can confirm that the withdrawal instruction we have received is valid. Your instruction will be treated as not being received until we have been able to confirm that it is valid.

Please ensure that withdrawal requests are either sent to Apex at GPO Box 4968, Sydney NSW 2000 or faxed to Apex at +61 2 9251 3525 or emailed to Apex at registry@apexgroup.com.

We accept no responsibility for withdrawal requests that have been sent to an incorrect address or fax number. You are responsible for ensuring that you use the correct contact details and accept that if you use incorrect contact details your withdrawal request may be delayed or not processed.

If you are an indirect investor, please follow the instructions of the master trust or wrap account operator on how to make a withdrawal from the Fund.

INSTRUCTIONS RECEIVED VIA EMAIL AND FACSIMILE

By instructing Apex by email or fax you acknowledge that both Apex and us are entitled to rely on, and you will be liable for, any instruction received by email or fax which appears to be duly authorised by you. It is expected that this service will allow you to manage your investment more efficiently, though by transacting in this way you acknowledge that there is an increased risk of fraud and you release us from any losses and liabilities arising from the payment or action taken by us (acting reasonably) provided that Apex and us have acted without fraud or negligence.

If you are an indirect investor, please contact your master trust or wrap account operator for information regarding how to transact.

TRANSFERRING UNITS

You can transfer your units to a third party by completing a standard transfer form which can be obtained from your financial adviser or by calling Apex on 1300 133 451 and sending it to Apex, together with an application form and AML/CTF identification form and documents completed and signed by the party to whom you are transferring the units. We require original copies of standard transfer forms to be mailed to us. We reserve the right to refuse a request to transfer units.

As a transfer of units involves a disposal of units, it may have tax implications. There may also be stamp duty payable. You should obtain tax and stamp duty advice before requesting a transfer.

If you are an indirect investor, please contact your master trust or wrap account operator if you wish to transfer your units.

RESTRICTIONS ON WITHDRAWING YOUR INVESTMENT

There may be circumstances when your ability to withdraw from the Fund is restricted. Please read the following further information on restrictions on withdrawals in conjunction with the PDS.

Withdrawals are normally processed and paid within seven Business Days of receiving a valid withdrawal request; however, we do not guarantee this timeframe and we may take significantly longer to pay withdrawals.

If we do not receive all required identity verification documents or your withdrawal request is incomplete, we may not process your withdrawal request until requested documents or further requirements are received.

Withdrawals may also be delayed in the following circumstances:

- under the Constitution, we have 21 days from the date of redemption to pay withdrawals (if the Fund is liquid as defined in the Corporations Act);
- under the Constitution, we can suspend withdrawals for up to 120 days;
- if the Fund becomes illiquid, we are not required to pay withdrawals unless we offer to do so.

No withdrawals, or payment of withdrawal proceeds shall be permitted where the issue or redemption of units is suspended. Withdrawals may be suspended for up to 120 days including where:

- it is impracticable for us, or we are unable, to calculate the NAV of the Fund (and hence Unit Prices) for example, because of financial market disruptions or closures;
- where our investments suspend, delay or restrict the redemption, issue or payment of redemption proceeds (as applicable), or we are unable to provide an exit price;
- we reasonably estimate that we must sell 5% or more (by value) of all the Fund's assets to meet withdrawals;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in our opinion, result in remaining unitholders bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or decrease in the value of their units;
- where we reasonably consider it to be in the interests of unitholders; or
- it is otherwise legally permitted.

IF THE FUND BECOMES ILLIQUID

If the Fund is not liquid (as defined in the Corporations Act) unitholders would only be able to withdraw from the Fund if we made an offer of withdrawal to unitholders. If we do make such an offer, unitholders may only be able to withdraw part of their investment. There is no obligation for us to make such an offer.

Under the Corporations Act, the Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets generally include money in an account or on deposit with a bank, bank-accepted bills, marketable securities and property of the kind prescribed under the Corporations Act.

VALUATIONS

Units will typically be priced each Business Day by the Responsible Entity except where the calculation of the NAV of the Fund is suspended for reasons such as where the Fund's investments cannot in the opinion of the Responsible Entity be appropriately valued or disposed of including where:

- there have been disruptions, suspensions or closures to financial markets; or
- for any other reason the value of the Fund's assets or liabilities cannot in the opinion of the Responsible Entity be reasonably or fairly ascertained.

You will find entry and exit prices for units each Business Day at www.microequities.com.au/valueincomefund.

ADDITIONAL DISCLOSURE INFORMATION

Where the Fund has 100 investors or more, the Fund will be considered a 'disclosing entity' for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. Any continuous disclosure obligations we have will be met by following ASIC's good practice guidance via website notices rather than lodging copies of those notices with ASIC. Accordingly, should we become aware of material information that would otherwise be required to be lodged with ASIC as part of our continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable on the Investment Manager's website at www.microequities.com.au/valueincomefund. If you would like hard copies of this information, contact the Investment Manager on +61 2 9009 2900 and it will be sent to you free of charge.

Investors have a right to obtain copies of the following documents free of charge from us, upon request:

- the most recent annual financial report together with any half year financial report lodged with ASIC;
- the auditor's report & directors' report for the most recently completed financial year; and
- any continuous disclosure notices given by the Fund after that annual financial report but before the date of the PDS.

The Responsible Entity, through its agent, Apex, will also provide investors with hard copies or electronic copies of the above documents each year, depending on the election made by the relevant investor. Please note, if an investor does not elect to receive a hard copy of the report, the investor may access the reports at www.microequities.com.au/valueincomefund. Investors may also obtain a copy of the unit pricing policy for the Fund from the Investment Manager free of charge, upon request.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS

We may appoint any of our related entities to provide services or perform functions in relation to the Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length.

Perpetual group of companies, including the Responsible Entity, may act in various capacities (such as responsible entity, trustee and custodian) for other funds, schemes or managed accounts and we may face conflicts between our duties as responsible entity, our duties to other funds, schemes or managed accounts we manage and our own interests. Perpetual group of companies and the Investment Manager have policies and procedures in place to manage conflicts of interest, which ensure that any actual, apparent or potential conflicts of interest are identified and appropriately managed. All service provider agreements with related parties have been entered into on arm's length terms or with member approval and the Responsible Entity must ensure these arrangements are in the best interests of the members of the Fund. The Responsible Entity will manage any conflicts in accordance with the Constitution, applicable laws and regulations, and its internal policies and procedures.

INDIRECT INVESTORS

If you invest in the Fund through a master trust or wrap account, you do not become a unitholder in the Fund and do not have the rights of a unitholder or acquire any direct interest in the Fund. The operator or manager of the master trust or wrap account becomes a unitholder and acquires these rights and may exercise these rights as they see fit.

APPLICATION FORM

If you are investing in the Fund through a master trust or wrap account do not complete the application form accompanying the PDS. Indirect investors should complete the application form supplied by the master trust or wrap account operator.

REPORTING

You will not receive statements, tax information or other information from us. You should receive equivalent information from the master trust or wrap account operator.

WITHDRAWALS

Provisions which relate to withdrawals from the Fund will apply to the master trust or wrap account operator and not to you, the indirect investor.

FEES AND COSTS

Fees and costs applicable to the master trust or wrap account (as set out in the master trust or wrap account offer document or client agreement) are payable in addition to the fees and costs stated in the PDS and this AIB.

TAX

Taxation consequences of investing in the Fund, section 7 'How managed investment schemes are taxed' of the PDS, does not consider the treatment of indirect investors. You should consult your tax adviser in relation to investing through a master trust or wrap account.

COOLING-OFF

Indirect investors should consult their master trust or wrap account operator about what cooling-off rights (if any) may apply.

COMPLAINTS HANDLING

As an indirect investor, your first point of contact for any complaints in relation to an investment in the Fund will be your master trust or wrap account operator.

3. ADDITIONAL INFORMATION ABOUT THE FEATURES AND BENEFITS OF THE FUND

CONSTITUTION

The operation of the Fund is governed under the law and its Constitution which addresses matters such as:

- unit pricing and withdrawals and applications;
- the issue and transfer of units or classes of units;
- unitholder meetings;
- unitholders' rights including unitholders' rights to income of the Fund;
- the Responsible Entity's powers to invest, borrow and generally manage the Fund; and
- fee entitlement and right to be indemnified from the Fund's assets.

We may alter the Constitution in accordance with the provisions of the Constitution and any relevant provisions of the Corporations Act. We may retire or (if investors vote for our removal) be required to retire as Responsible Entity. No units may be issued after the 80th anniversary of the date of the Constitution. We may exercise our right to terminate the Fund earlier by written notice to unitholders. Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

The Responsible Entity has the power to delegate certain aspects of its duties. The Responsible Entity has appointed Microequities Asset Management Pty Limited as the investment manager of the Fund (**Investment Manager**). The Responsible Entity has also appointed J.P. Morgan Chase Bank, N.A. (Sydney Branch) ABN 43 074 112 011 as the custodian (**Custodian** or **J.P. Morgan**). The Custodian will hold the assets of the Fund on behalf of the Responsible Entity and act in accordance with our instructions. The Custodian may also appoint sub custodians from time to time. The Responsible Entity has appointed Apex Fund Services Pty Limited as the administrative agent (**Administrative Agent**) and the registrar (**Registrar**) of the Fund.

The Constitution may be viewed between 9am and 5pm, Sydney time, on Business Days by calling Apex on 1300 133 451. We will provide you with a copy free of charge.

The Constitution gives us a number of rights, including a number of discretions relating to unit pricing. You can obtain a copy of the unit pricing discretions policy of the Fund, free of charge, by calling Apex on 1300 133 451.

COMPLIANCE PLAN

In accordance with the requirements of the Corporations Act and ASIC policy the Fund has a compliance plan which sets out the measures we will take to ensure we comply with the Corporations Act and the Constitution. A copy of the Fund's Compliance Plan is available free of charge by contacting Apex on 1300 133 451.

INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has entered into an investment management agreement (**IMA**) with the Investment Manager. Under the IMA, the Investment Manager agrees to provide investment management services with respect to the Fund. The IMA may be terminated by either party in certain circumstances such as if the other party is insolvent, materially breaches the agreement, ceases to hold or be exempt from holding an AFSL, ceases to hold all other licences necessary to conduct its business, ceases to carry on its business or engages in fraudulent, dishonest, misleading or deceptive conduct in connection with the services provided pursuant to the agreement.

OTHER PARTIES

Ernst & Young is the registered company auditor. The auditor's role is to provide an audit of the financial statements of the Fund each year, as well as performing a half-yearly review (if required), and to provide an opinion on the financial statements.

CONSENTS

The following parties have given written consent (which has not been withdrawn at the date of this AIB and the PDS) to being named in this AIB and the PDS:

- Microequities Asset Management Pty Ltd as the investment manager of the Fund;
- J.P. Morgan has not been involved in the preparation of this AIB and the PDS or caused or otherwise authorised the issue of this AIB and the PDS. J.P. Morgan has not independently verified the information contained in this AIB and the PDS and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return; and
- Apex as the administrator to and unit registrar for the Fund.

Each of these persons named above was not otherwise involved in the preparation and distribution of this AIB and the PDS and is not responsible for the issue of this AIB or the PDS, nor are they responsible for any particular part of this AIB or the PDS other than those parts that refer to it.

4. ADDITIONAL INFORMATION ABOUT RISKS

This should be read in conjunction with section 4 'Risks of managed investment schemes' of the PDS.

Counterparty default risk – Risk that counterparties, such as brokers, fail to meet their contractual obligations which may result in the investment activities of the Fund being adversely affected.

Cyber risk – There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the information technology systems and networks of the Responsible Entity and its agents.

Fund risk – The Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would always give you at least 30 days' notice where practicable if fees were to change), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.

Interest rate risk – Changes in interest rates can have a positive or negative impact directly or indirectly on investment values or returns.

Low cash position – If the Fund has a low cash balance, this could hamper or delay the ability of the Fund to pay distributions to unitholders.

Regulatory risk – This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws (including those affecting registered managed investment schemes), or changes in generally accepted accounting policies or valuation methods.

Service provider risk – The risk that third-party service providers engaged by the Responsible Entity for the Fund to provide certain services to the Fund including for example, administration, custody and valuation services, do not properly perform their obligations and duties and cause harm to the Fund.

Significant redemptions risk – A risk exists that a significant number of requests for redemption of units in the Fund will be received. In such an event, it may not be possible to liquidate some of the Fund's investments at the time that such redemptions are requested, or it may be possible to do so only at prices which do not reflect the true value of such investments, resulting in an adverse effect on the return to unitholders. The Responsible Entity has a discretion to suspend redemptions in these circumstances. In addition, if the Responsible Entity receives redemption requests for:

- more than 5% of units on issue on any day; or
- more than 10% of units on issue over any five consecutive Business Days,

it may be necessary to delay the redemption of units to which the requests relate.

Volatility risk – Volatility in the prices of the underlying assets of the Fund can result in fluctuations in the unit price and/or amounts distributed to unitholders.

5. ADDITIONAL INFORMATION ABOUT HOW WE INVEST YOUR MONEY

WHAT IS A MICROCAP?

A microcap is generally defined as a company whose market capitalisation (market value) is relatively small (generally defined as outside the ASX 200 Index). Whilst an individual microcap company's market value is relatively small, they make up a large component of the total exchange's participants.

WHY MICROCAPS?

Due to their relatively small market capitalisation, investment banks and stockbrokers do not allocate the necessary resources to analyse or provide research coverage on microcap companies. This lack of professional investor coverage can provide investment opportunities in highly undervalued securities that may have been overlooked. Many microcaps have higher growth rates than larger companies. Often, the reason for a superior growth rate will be due to a company specific quality such as a new product or service, expansion into new markets, increased market size or other company specific events that are unrelated to the economic cycle. These company specific events can provide some microcap companies with growth in challenging economic conditions.

The microcap investment universe may offer many anomalous valuations due to a lack of institutional and professional investor following. Capturing these anomalies in valuation is an integral part of the Fund.

MICROCAPS ARE NOT START-UPS

Although microcaps are small companies, in most cases they are not start-ups but rather companies with a track record. Many microcap companies can eventually become mid and large cap companies. Microcap companies can, in some cases, have highly recognisable brand names and products and can be market leaders in their fields.

There are many reasons why companies are microcaps including:

- they operate in a relatively small domestic market for their product and have not entered the exporting arena;
- they might be largely family dominated companies;
- they might have previously been part of a larger company; or
- their pace of growth might be managed (rapid growth can be harder to manage).

In many cases, they might have been even smaller in size a few years ago and have grown rapidly but still remain outside the ASX 200 Index (e.g., they were A$20 million market cap 3 years ago and now they are A$60 million).

THE INVESTMENT MANAGER'S INVESTMENT PHILOSOPHY

VALUE

Value is at the heart of the Investment Manager's investment philosophy. The Investment Manager investigates and researches the microcap asset class because generally microcap companies present the most compelling value opportunities. Value investing is the buying of securities at significantly less than their intrinsic value.

The Investment Manager's investment approach aims to identify those securities that are trading below their intrinsic value while offering exposure to growth opportunities. Securities may trade below or above their intrinsic value due to a multitude of factors including but not limited to:

- economic outlook;
- general market sentiment;
- company size;
- lack of analysis; or
- outside of major benchmark indices.

Investments should generally be made with an intended time horizon of at least 5 years in companies selected for investment, as prices are likely to revert to their intrinsic value through the course of an investment cycle.

INCOME

For some investors, a consistent steady income stream is more important than capital growth via the retention and reinvestment of earnings. Many microcap companies pay both an interim and final dividend. In many cases this dividend stream is fully or partially franked at the company tax rate. The Fund will focus on identifying those companies that have a stable and consistent history of dividend payment. The companies should possess a robust business model that provides confidence in the sustainability of dividend income flow.

GROWTH

As important as value is, growth is a vital driver of capital returns. Without earnings growth, value is undermined. Therefore not only are undervalued companies sought, but also companies that are likely to grow and grow at faster rates than the rest of the market.

INVESTMENT IN PROFITABLE COMPANIES

The Investment Manager does not speculate on loss making businesses. In order to value a business (company), the business needs to be generating positive earnings. The Investment Manager does not research loss making businesses, and the Fund does not invest in companies that do not have a historically positive EBITDA (Earnings Before Net Interest, Taxes, Depreciation and Amortisation).

LONG TERM INVESTMENT HORIZON

Good things take time. The Investment Manager's experience has been that it takes time for the market to recognise value. The time horizon of investment is therefore a medium to long term one. The Fund sees equity investments as a de facto business partnership. The Fund does not trade in and out of positions; it looks for long term superior gains by way of long term investments. The Investment Manager's experience is that this philosophy provides superior long term returns. The Investment Manager suggests that investors adopt a minimum 5 year time horizon for their investment in the Fund. The Fund aims to provide semi-annual income distribution and capital growth.

THE INVESTMENT MANAGER'S INVESTMENT APPROACH

PROFILE OF COMPANIES THE FUND WILL INVEST IN

There is information asymmetry in the market for microcap securities. Information asymmetry arises when one party has more or better quality information than the other. Stockbroking firms and investment banks generally produce research material for their clients in order to generate commissions from trading volume. They tend to cover mainly the largest 200 stocks listed on the exchange as these tend to have the largest daily volume of trading activity. By way of example, there are approximately 1,800 companies listed on the ASX, and many of these would not have been considered for research by brokers or other research firms. Hence, there may exist opportunities to profit from intrinsically undervalued and unresearched companies.

Additionally, many index fund managers tend to structure their portfolios to track or follow specific indices. This can suggest that the index fund managers are investing in both well performing companies and poor performing companies simply to imitate the particular index.

The Investment Manager is focused on growing, profitable companies with a performance track record and an undervalued share price. The Investment Manager uses a bottom-up approach to investing. Fundamental analysis of companies is undertaken using various models and key indicators to value companies before consideration of inclusion for investment by the Fund.

The Investment Manager conducts research that includes information gathering from customers, suppliers and competitors. As part of the investment process, it conducts face to face meetings with the company's senior management to gain valuable insights into the operations of the company's business units, strategy, and plans. The Investment Manager will only invest the Fund in businesses that it understands and that have a historical track record of earnings.

The list below is a sample and is in no way exhaustive of some of the factors that may be looked at and taken into consideration when considering an investment by the Fund.

As each company is unique, not all factors below will be suitable to be taken into consideration for the purposes of a valuation model of the company:

- Companies with a well established business model
- Companies generally should have at least 2 years or longer of historical EBITDA profitability
- Companies with low manageable debt or no debt are preferred
- High cash flow generating businesses
- Companies with high earnings visibility and disclosure
- Companies with a predictable future earnings stream
- Companies in a growing sector
- Companies paying consistent dividends
- Companies that have a growth catalyst division, product or service
- Companies with a strong competitive advantage or brand name
- Companies with stable management and a track record of delivering value to shareholders
- Companies where management has a significant stake
- Companies with a reputable board of directors

The approach to investment necessitates a medium to long term perspective, and only under such an investment time horizon do investors capture superior capital gain. The investment performance of companies invested in is regularly reviewed. The Investment Manager is in close contact with senior executives and management of those companies and their investment case is re-examined. Companies that have not yet met the Investment Manager's investment criteria are also monitored. The world is a dynamic place and investment cases do change.

6. ADDITIONAL INFORMATION ABOUT FEES AND COSTS

This should be read in conjunction with section 6 'Fees and costs' of the PDS.

ADDITIONAL EXPLANATION OF FEES AND COSTS

MANAGEMENT FEES AND COSTS

The management fees and costs for the Fund (fees and costs incurred by you) are comprised of the management fee as well as estimated indirect costs and recoverable expenses. The management fees and costs shown do not include any extraordinary expenses or any transaction costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through buy-sell spreads) of the Fund or the transaction costs of any interposed vehicles into which the Fund may invest (as set out below). Management costs are payable from the Fund's assets and are not paid directly from your investment.

MANAGEMENT FEE

The management fee is calculated daily as a percentage of the net asset value of the Fund and payable monthly in arrears from the Fund's assets within 3 Business Days of the end of each month. From the management fee we pay all investment manager fees (including the fees of the Investment Manager), all normal operating expenses of the Fund including responsible entity fee, custody fees, audit fees, accounting fees, legal and regulatory fees and all other normal costs (other than transaction costs). The amount of this fee can be negotiated.

INDIRECT COSTS

Indirect costs are any amount, that the Responsible Entity knows, or reasonably ought to know, or reasonably estimates, has or will reduce, whether directly or indirectly, the return of the Fund or the amount or value of the income of, or assets attributable to, the Fund or an interposed vehicle in which the Fund invests, other than the management fee, performance fee (if any) and recoverable expenses.

In particular, indirect costs include the management fees and costs of interposed vehicles (for example, the management fee of an underlying investment trust or exchange traded fund), fees in relation to securities lending and certain costs of over-the-counter derivatives.

The indirect costs component set out in the fees and costs summary in the PDS is calculated on the basis of the actual amount incurred for the previous financial year and the Responsible Entity's reasonable estimate of such costs where information was not available as at the date of the PDS and this AIB or where the Responsible Entity was unable to determine the exact amount. As at the date of the PDS and this AIB, there are no indirect costs for the Fund.

RECOVERABLE EXPENSES

Normal operating expenses

As at the date of PDS and this AIB, the normal operating expenses of the Fund (e.g. custody fees, audit fees, accounting fees, legal and regulatory fees) will be borne by the Investment Manager out of its own resources (including by bearing such costs directly or via a reduction in the investment management fees payable to it by the Responsible Entity). We will not, without notice, recover these normal operating expenses from the Fund.

Abnormal expenses

We are also entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of unitholder meetings, defending legal proceedings, special valuation of the Fund's assets and the costs of terminating the Fund. These abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any year. If they arise, we may deduct these expenses from the Fund.

The estimated expense recoveries component set out in the fees and costs summary in the PDS include abnormal expenses of 0.00% of the NAV of the Fund, which is the amount actually incurred by the Fund in the previous financial year, including the Responsible Entity's reasonable estimate of such costs where information was not available as at the date of the PDS and this AIB or where the Responsible Entity was unable to determine the exact amount.

Abnormal and extraordinary expenses may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

PERFORMANCE FEE

The performance fee is calculated and accrued daily as 20.50% (inclusive of GST and net of any applicable reduced input tax credits) of the excess return of the units in the Fund above the Performance Fee Benchmark. The performance fee is deducted from the Fund's assets and is payable following the end of each calendar quarter. No performance fee will be payable until any aggregate underperformance from prior periods has been recovered.

The Performance Fee Benchmark

The Performance Fee Benchmark is the daily return of the S&P/ASX Emerging Companies Accumulation Index (**Performance Fee Benchmark**).

The performance fee is calculated each day. The performance fee is an amount equal to 20.50% (inclusive of GST and net of any applicable reduced input tax credits) of the amount by which the return of the units in the Fund outperformed (or underperformed) the Performance Fee Benchmark for the period from the start of the calendar quarter to the day the performance fee is calculated. Subject to the following paragraphs, if the Fund outperformed the Performance Fee Benchmark, the performance fee will be a positive amount, and the performance fee amount to be accrued and taken into account in the unit price will equal to that positive amount. If the Fund underperformed the Performance Fee Benchmark, then the performance fee will be a negative amount and will not be accrued and taken into account in the unit price.

If the performance fee calculated at the end of each quarter is positive, then the performance fee less any performance fee amount relating to any underperformance carried forward from prior periods (**Net Performance Fee**), will be paid provided the Net Performance Fee is a positive amount. No amount will be paid if the Net Performance Fee is negative, and this Net Performance Fee will be carried forward to the next quarter, and included in the performance fee calculation carried out at the end of the next quarter.

If the performance fee calculated at the end of each quarter is negative, that amount in addition to any performance fee amount relating to any underperformance carried forward from prior periods will be carried forward to the next quarter, and included in the performance fee calculation carried out at the end of the next quarter.

If, on any particular day in a quarter:

- the amount of the accrued performance fee as at that day is a positive amount (X); and
- the aggregate accrued performance fee in relation to previous periods (excluding the then current quarter), is a negative amount (Y); and
- X minus Y is a negative amount,

then the performance fee as at that particular day will be a negative amount, and will not be accrued and taken into account in the unit price as at that particular day.

The worked example of the performance fee below is shown only for the purpose of illustrating how the performance fee may be calculated and assumes there are no applications, redemptions or distributions made on that day.

It is also important to note the example is not an indication of the expected or future performance of the Fund, and that actual performance may differ materially from that used in the following worked example.

FEE COMPONENTS	REFERENCE	EXAMPLE DAY 87
Performance fee percentage	(A)	20.5%
Unit Value at start of calendar quarter	(B)	$1.00
Unit Value (after management fee & before performance fee) on Day 87	(C)	$1.03
Unit Value increase from start of calendar quarter to Day 87	(D) = (C) – (B)	$0.03
Unit Return from start of calendar quarter to Day 87	(E) = (D)/(B)	3.00%
Benchmark Return from start of calendar quarter to Day 87	(F)	2.00%
Outperformance over Benchmark	(G) = (E) – (F)	1.00%
Number of units in issues on Day 87	(H)	5,000,000
Performance fee calculated on Day 87	(J) = (A) * (B) * (G) * (H)	$10,250
Performance fee amount relating to underperformance carried forward from previous period	(K)	$6,000
Net performance fee accrual*	(M) = (J) - (K)	**$4,250**

*If the net performance fee accrual was positive on the last day of the performance period, a performance fee would be payable equal to the net performance fee accrual (includes the net effect of GST and RITCs). If the net performance fee accrual was negative on the last day of the performance period, the net performance fee accrual would be carried forward to the next quarter.

To calculate the performance fee disclosed in the fees and costs summary in the PDS, the reasonable estimate of the performance fee has been based on the average of the actual performance fees paid by the Fund (being from 1 July 2021 to 30 June 2026).

The calculated five-year average performance fee for the Fund for the period from 1 July 2021 to 30 June 2026 is 0.00% p.a. of the NAV of the Fund (inclusive of GST and net of any applicable RITCs). This is the amount disclosed in the fees and costs summary in the PDS.

The calculated average performance fees for the Fund for each financial year making up the five financial year average is as follows:

FINANCIAL YEAR	AVERAGE PERFORMANCE FEE
FY22	0.00%
FY23	0.00.%
FY24	0.01%
FY25	0.00%
FY26	0.00%

Past performance is not a reliable indicator of future performance. The actual performance fee payable (if any) will depend on the performance of the Fund over the relevant period.

TRANSACTION COSTS

Transaction costs are costs associated with the buying and selling of the Fund's assets and are charged directly to the Fund. These costs

include brokerage, settlement costs, clearing costs, stamp duty, GST and other taxes and include the transactional costs incurred by any interposed vehicle into which the Fund may invest. Stamp duty forms part of the Fund's transaction costs and is not deducted directly from individual investors.

From 1 July 2026, stamp duty that forms part of the Fund's transaction costs is calculated separately in accordance with clause 103A of Schedule 10 to the Corporations Regulations 2001 (as amended by ASIC Corporations (Amendment) Instrument 2026/337). For the financial year ending 30 June 2027, the stamp duty component is determined using one-seventh of the stamp duty incurred in the previous one financial year of operation. This amount is included in the estimated transaction costs disclosed in the fees and costs summary in the PDS. The stamp duty calculation methodology will transition over subsequent financial years to a seven-year smoothing average in accordance with the statutory ramp-up schedule.

The estimated transaction costs of 0.96% of the NAV of the Fund is calculated using the Fund's actual transaction costs (other than stamp duty) incurred for the previous financial year and the Responsible Entity's reasonable estimate of such costs where information was not available as at the date of the PDS and this AIB or where the Responsible Entity was unable to determine the exact amount (and is shown net of any amount recovered by the buy-sell spread charged by the Responsible Entity). The total gross transaction costs of the Fund incurred for the previous financial year including the Responsible Entity's reasonable estimate of such costs where information was not available as at the date of the PDS and this AIB or where the Responsible Entity was unable to determine the exact amount, was approximately 0.96% of the Gross Asset Value (**GAV**) of the Fund.

Transaction costs are not included in the 'Management fees and costs'. Instead they are recovered from the assets of the Fund as and when they are incurred and therefore (where not otherwise recovered through the buy-sell spread) are an additional cost to you.

BUY-SELL SPREAD

The buy-sell spread is a type of transaction cost that may include brokerage, stamp duty, underlying security buy-sell spreads and other government taxes or charges. The purpose of the buy-sell spread is to ensure that only those investors transacting in the Fund's units at a particular time bear the Fund's costs of buying and selling the Fund's assets as a consequence of their transaction.

The buy-sell spread is an additional cost incurred by you when you invest in or withdraw from the Fund. The buy-sell spread is not a fee paid to us but is paid to the Fund to offset the transaction costs incurred.

The buy-sell spread may vary from time to time to reflect changes in the transaction costs incurred, or likely to be incurred. The buy-sell spread for the Fund is currently +0.50%/-0.50% when you make an application for, or a withdrawal of units in the Fund. We have discretion to waive or reduce the transaction costs on investments or withdrawals where no or reduced costs are incurred. If we do vary the buy-sell spread, we will not provide prior notice unless the change is material. The updated information will be posted on the Investment Manager's website at www.microequities.com.au/valueincomefund, and we will advise you in the next regular communication after the change.

The buy-sell spread will not apply to units you receive from distributions that are reinvested or to certain other transactions (including transfers).

Worked dollar example

The current buy-sell spread on an investment in the Fund is +0.50%/-0.50%. Therefore, the cost of an investment of $50,000 into the Fund would be $250 and the cost on a withdrawal of $50,000 from the Fund would be $250.

FEE MAXIMUM AND CHANGES TO FEES

We are entitled under the Constitution to charge a contribution fee and withdrawal fee each of 5% (exclusive of GST) of the application amount and 5% (exclusive of GST) of the exit unit price, a management fee of 3% (exclusive of GST) p.a. of the total value of all assets of the Fund and a performance fee of 20.50% (inclusive of GST) of the Fund's daily return (after management fees and expenses but before performance fees) above the Performance Fee Benchmark (provided all underperformance below the Performance Fee Benchmark has been recouped). The maximum management fee would apply if the Responsible Entity elected to charge the full constitutional entitlement. We have elected to limit our management fee to 1.30% p.a. (inclusive of GST and applicable RITCs) and, in the case of the contribution fee and withdrawal fee, waived these fees altogether. These waivers would not apply if the Responsible Entity determined, in its discretion, to charge such fees in the future, in which case at least 30 days' written notice would be provided.

We may elect to change the fees and costs outlined in this section (e.g. due to changes in economic conditions and size of the Fund). We will provide you at least 30 days' written notice of any increases to fees and any material changes to the buy-sell spread (refer to the section 'Buy-sell spread' above).

INDIRECT INVESTORS

If you invest in the Fund through a master trust or wrap account, the fees and costs applicable to the master trust or wrap account (as set out in the master trust or wrap account offer document or client agreement) are payable in addition to the fees and costs stated in the PDS.

FUND MANAGER AND PLATFORM ACCESS PAYMENTS

There are circumstances when we may, subject to the law, pay a platform to make the Fund available on their investment menu. Payment may be made as product access payments where a flat dollar amount per annum is paid to the platform provider for administrative and investment related services.

If we do pay fees, the Investment Manager will pay them from its own resources so that they are not an additional cost to the Fund or to you.

DIFFERENTIAL FEES

We may charge fees on a different basis to a wholesale client (as defined under the Corporations Act) based on individual negotiation between us or the Investment Manager and that wholesale client. The payment and terms of rebates are negotiated with wholesale clients but are ultimately at our discretion, subject to the Corporations Act and any relevant ASIC policies.

We or the Investment Manager may, in certain circumstances determined by us, as permitted under law, negotiate special arrangements concerning fees (including fee reductions and rebates) with other investors.

Through the operation of rebates which are paid from the fees that we receive, we may effectively charge net fees on a different basis to:

a) a wholesale client (as defined under the Corporations Act) based on individual negotiation between us or the Investment Manager and that wholesale client; and/or

b) other investors, where in special circumstances determined by us and where we are permitted under the law to charge net fees on a different basis to other investors.

Relevant investors should contact the Investment Manager in relation to negotiating fees. See the front page of this AIB for the contact details for the Investment Manager.

IMA TERMINATION FEE

Under the IMA, if members pass a special resolution directing the Responsible Entity to remove the Investment Manager, the Investment Manager is entitled to a termination fee equal to 2.6% of the value of the Fund's portfolio on the date of termination (inclusive of GST and net of any applicable RITCs). The termination fee is payable from the assets of the Fund within 3 Business Days of termination and would therefore be an additional cost to you. The termination fee is not payable if the resolution states that termination is required having regard to a material breach by the Investment Manager of its obligations under the IMA. As the termination fee is payable only on the occurrence of this event and has not been incurred by the Fund in the previous financial year, it is not included in the fees and costs summary or the example of annual fees and costs in the PDS.

ADDITIONAL FUND ADMINISTRATION SERVICES FEE

The Responsible Entity may charge a fee for additional fund administration services, being services in connection with the management and administration of the Fund that the Responsible Entity determines are not normal or routine in nature. This fee is in addition to the Responsible Entity's other fees and is calculated at a maximum hourly rate of $1,000 (adjusted quarterly for increases in CPI). The fee is payable from the assets of the Fund monthly in arrears.

MANAGED FUNDS CALCULATOR

ASIC has a managed funds fee calculator on their website at www.moneysmart.gov.au that can be used to calculate the impact of fees and costs on your account balance.

TAX

Information about tax is set out in section 7 'How managed investment schemes are taxed' of the PDS and section 7 'Additional information about how managed investment schemes are taxed' of this AIB. The benefit of any tax deduction relating to fees and costs is not passed on to investors in the form of a reduced fee or cost.

7. ADDITIONAL INFORMATION ABOUT HOW MANAGED INVESTMENT SCHEMES ARE TAXED

This should be read in conjunction with section 7 'How managed investment schemes are taxed' of the PDS.

The information contained in the following summary is intended to be of a general nature only and should serve only as a guide to the tax considerations that may arise. The summary applies only to Australian resident investors. Different tax considerations arise for non-resident investors.

You should seek independent professional tax advice that takes account of your particular circumstances before investing in the Fund.

The information in this AIB is based upon Australian income tax law contained in the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* as at the date of the PDS. The Australian income tax law is subject to change at any time, and changes to tax law, including changes to the capital gains tax rules, may have taken effect or may take effect after that date. Any such changes could adversely affect the tax outcomes described herein.

TAXATION OF THE FUND

The Fund should not be subject to Australian income tax on the basis that:

- the unitholders will be presently entitled to the distributable income of the Fund and are not expected to be under any legal disability; and
- the Fund is not expected to be a public trading trust (i.e. a trust that is taxed as a company).

Where the Fund is in a tax loss position in a particular year, the loss is retained in the Fund and is not distributable to the unitholders. The loss can be carried forward by the Fund and used to offset taxable income in a future year (subject to satisfaction of certain loss integrity tests).

The Fund intends to qualify as a 'managed investment trust' for Australian tax purposes. If the Fund so qualifies, it will be eligible to make a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election would mean gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the 'financial arrangement provisions') by the Fund will be subject to capital gains tax treatment.

DISTRIBUTIONS

As it is the Fund's intention to distribute all income of the Fund to investors during each financial year, the Fund should not be subject to any Australian income tax. Investors will be entitled to receive distributions from the Fund provided the income referable to their units is greater than nil. Proceeds from withdrawals may also contain a component of taxable income as determined by the Responsible Entity.

The taxable components of distributions (whether reinvested back into the Fund or not) or from redemption proceeds should be taxable in the hands of the investors for the financial year to which the distributions relate. That is, investors will include their share of the net (i.e. taxable) income of the Fund in their assessable income for that year.

To the extent that an investor's share of the income of the Fund is attributable to a capital gain made by the Fund, the investor will be treated as having made a capital gain equal to that amount. Where such an amount is a discounted capital gain, the investor is treated as making a discount capital gain equal to twice the amount that is attributable to the discounted capital gain made by the Fund. Certain investors may be entitled to apply the relevant capital gains tax discount percentage to the discount capital gain to the extent to which it is included in the net capital gain made for the income year.

Any foreign taxes paid by the Fund may be available to be passed on to investors. Investors may generally be able to claim a foreign income tax offset for these amounts.

Any franking credits derived by the Fund may also generally be available to be distributed to investors in the Fund. The eligibility of the Fund to distribute franking credits is subject to certain conditions such as the holding period rule. An investor's individual circumstances will also be relevant in determining whether an entitlement to franking credits exists.

Where the cash distribution that an investor receives or reinvests exceeds their share of the net income of the Fund, the excess may not be included in their assessable income in the income year received. The non-assessable cash distribution component is commonly referred to as a tax deferred distribution, unless it relates to a discount capital gain that has been made by the Fund.

A tax deferred distribution received will result in a reduction in the cost base of Units. The investor will make a capital gain equal to the amount by which the tax deferred distributions received for an income year exceed the investor's remaining cost base in those units.

Investors will be provided with a distribution and taxation statement each year outlining the various components of the distribution. For example, the components of the distribution may include dividends, trading or capital gains, tax deferred income, any taxes withheld or franking credits attached.

Investors who hold their units on capital account may also crystallise a capital gain or capital loss on disposal or redemption of their units in the Fund. Any capital gains tax liability that arises may be reduced by

the applicable capital gains tax discount where the units disposed of or redeemed have been held for more than 12 months. The availability and rate of the capital gains tax discount depends on the law in force at the time of disposal, and changes to the capital gains tax discount rules may apply. The capital gains tax discount varies depending on whether the investor is an individual, trust or complying superannuation fund. Investors should seek their own taxation advice in relation to the capital gains implications that arise on disposal or redemption of Units, including how any changes to the capital gains tax discount may affect them.

For investors residing in an offshore jurisdiction, withholding tax may be withheld on distributions or withdrawal proceeds carrying a taxable component. Investors residing in an offshore jurisdiction should seek their own tax advice.

AMIT

The *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* (Cth) governs the Attribution Managed Investment Trust (**AMIT**) regime. An AMIT, in broad terms, is a managed investment trust (**MIT**) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

The Responsible Entity has made the election for the Fund to operate as an AMIT.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through the trust to its members;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts and capital gains are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

GOODS AND SERVICES TAX (GST)

GST will not be imposed on the application for, or withdrawal of units in the Fund. However, the services for which any fees are payable under section 6 'Fees and other costs' of the PDS and Section 6 'Additional information about fees and costs' of this AIB, are likely to be subject to GST. The Fund is unlikely to be entitled to claim a full input tax credit for any GST paid on fees and other costs payable by it. The Fund may be entitled to claim RITCs of the GST payable in respect of certain expenses.

Any denial of input tax credit will be an additional cost to the Fund, which may affect the net income of the Fund and the distributions (if any) made by the Fund to investors. Adviser fees are not payable directly by the Fund and as such the Fund is not entitled to claim RITCs.

TAX FILE NUMBER (TFN) OR AUSTRALIAN BUSINESS NUMBER (ABN)

Investors who have not provided a TFN, ABN or alternatively provided exemption details may have tax deducted from their distributions at the highest marginal tax rate plus the Medicare Levy (currently 47% inclusive of the Medicare Levy).

COMMON REPORTING STANDARD

The Australian Government has implemented the OECD Common Reporting Standards for the Automatic Exchange of Financial Account Information (**CRS**) from 1 July 2017. CRS, like the FATCA regime, requires banks and other financial institutions to collect and report information to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. So the Fund complies with its obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the Australian Taxation Office (**ATO**) based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the 'CRS Competent Authority Agreement', the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the *Taxation Administration Act 1953* (Cth) to give effect to the CRS.

US TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the ATO, which may then pass the information on to the US Internal Revenue Service **(IRS**). If you do not provide this information, we will not be able to process your application.

In order to comply with these obligations, the Responsible Entity will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

8. HOW TO APPLY

There is no additional information in this section. Refer to section 8 'How to apply' of the PDS.