



**MAPLE-BROWN ABBOTT**

INVESTMENT MANAGERS SINCE 1984

Maple-Brown Abbott

# Responsible Investment Fund

APIR: MPL0544AU  
ARSN: 616 876 263

Product Disclosure Statement (PDS)

1 July 2019



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### Important information

This Product Disclosure Statement (PDS) is a summary of significant information about the Maple-Brown Abbott Responsible Investment Fund ARSN 616 876 263 (**Fund**) and contains a number of references to important information in the Maple-Brown Abbott Funds: Additional Information Booklet (**AIB**). The AIB forms part of this PDS and is available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). You should consider and read both documents before making a decision to invest in the Fund.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to suit your personal circumstances before investing.

Investments in the Fund can only be made by investors receiving the PDS (including an electronic version) in Australia, and to certain wholesale investors in those countries where the offer to invest and investment in the Fund is lawful in both that country and Australia. If you receive this PDS outside Australia, you should seek professional advice about restrictions on investing in the Fund.

### Responsible Entity and Issuer

Maple-Brown Abbott Limited  
ABN 73 001 208 564  
AFSL 237296

### Contact details

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**Website:** [maple-brownabbott.com.au](http://maple-brownabbott.com.au)

## 1 About Maple-Brown Abbott Limited

Maple-Brown Abbott Limited (**Maple-Brown Abbott**) is the Responsible Entity (**RE**) of the Fund and the issuer of this PDS.

Maple-Brown Abbott is responsible for operating the Fund and ensuring compliance with the Fund's Constitution (**Constitution**) and legislation, as well as establishing, implementing and monitoring the Fund's investment objective and strategy.

We are a privately owned investment management company, based in Sydney.

We specialise in the management of investment portfolios across Australian equities, Asia Pacific ex-Japan equities and global listed infrastructure securities.

We also manage a number of multi-asset portfolios that have exposure to Australian and international equities, Australian fixed interest, real estate investment trusts (**REITs**), alternative assets and cash. We managed \$14.9 billion as at 31 May 2019.

Our investment philosophy has not changed since we were established in 1984. We are value investors and aim to achieve attractive returns for our clients over the long term.

We place significant emphasis on retaining our boutique heritage as this ensures objective decision making and a strong alignment of interest with our clients.

We have been a signatory to the United Nations Principles for Responsible Investment since 2008.

## 2 How the Maple-Brown Abbott Responsible Investment Fund works

When you invest in the Fund, your money is pooled with money from other investors, which we then use to buy investments to manage on behalf of all investors. The Fund is divided into units, and we keep a record of the number of units you hold.

You can increase your unitholding by making additional investments or reinvesting distributions, or decrease your unitholding by making withdrawals.

### How and when we calculate unit prices

We generally calculate unit prices (to four decimal places) on each Sydney Business Day (**Business Day**).

We calculate the net asset value per unit by dividing the share of the net asset value of the Fund by the number of units on issue. The Fund's net asset value is the gross value of the assets less any liabilities (excluding withdrawal liabilities).

Unit prices will vary as the market value of the underlying investments rises and falls. The daily unit price also reflects investment income, management costs and any applicable taxes.

Application prices are calculated by adding an allowance for the buy-sell spread to the net asset value per unit. Withdrawal prices are calculated by subtracting an allowance for the buy-sell spread from the net asset value per unit. Please see Section 6 for more information on the buy-sell spread.

### How we value the Fund

All listed securities are valued using their market value, which is the last quoted sales price on the relevant exchange.

When a market price for a security is not readily available, we use valuations from independent experts or our own valuation models that can be independently verified.

Liabilities, which are usually accrued fees and expenses, are valued at cost.

Any discretion used in determining unit prices is done so in line with our policy. You can request a copy of this policy free of charge by contacting us on 02 8226 6200.

### How we value your investment

We value your investment by multiplying the number of units you hold by the Fund's current withdrawal price.

### Applications and withdrawals

All our investor transaction forms are available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds) or by contacting us on 02 8226 6200.

Any application or withdrawal requests to be satisfied by an in-specie transfer of assets, either in part or entirely, will be at our discretion.

If you are applying or withdrawing indirectly through an Investor Directed Portfolio Service (**IDPS**), IDPS-like scheme, or a nominee or custody service (collectively referred to as an IDPS), you must follow the application or withdrawal process as advised by the operator of that service.



## Applications

The minimum amount for initial applications is \$20,000, and \$5,000 for additional applications.

These minimums may be varied at our discretion and we may decline an application for units in the Fund without giving a reason.

If we receive your valid application request and investment amount by 2pm Sydney time on a Business Day, we will process it using the application price for that day.

All valid application requests and investment amounts received after 2pm Sydney time will be processed the next Business Day using that day's application price. Application monies are held in a non-interest bearing bank account.

## Withdrawals

There is no minimum withdrawal amount.

If we receive your valid withdrawal request by 2pm Sydney time on a Business Day, we will process it using the withdrawal price for that day.

All valid withdrawal requests received after 2pm will be processed the next Business Day using that day's withdrawal price.

You will generally receive your withdrawal amount less any taxes, duties or other applicable costs, within two (2) Business Days. All withdrawals are paid in Australian dollars and proceeds that have not yet been paid do not earn interest. Cheques and bank accounts must be in the name(s) of the investor(s). We will not pay withdrawal proceeds to a third party.

There may be some circumstances, such as withdrawals of larger amounts or a suspension of withdrawals, where you won't receive your withdrawal proceeds within two (2) Business Days.

## Receiving distributions

You are entitled to share in any net income of the Fund that is available for distribution, plus any return of capital (if applicable), based on the units that you hold at the end of the quarter.

Net income comprises dividends received, and interest, net realised capital gains and other income derived by the Fund, less fees and expenses. Any return of capital may be in addition to, or instead of, distributing the net income.

Distributions are generally paid quarterly and you will usually receive your distribution within ten (10) Business Days after the end of the quarter.

Distributions may be adjusted due to the timing of when income including net realised capital gains is, or is expected to be, received by the Fund. There may be times when the Fund does not derive enough income in a quarter to pay a distribution.

For very large withdrawals, to limit possible adverse financial or tax implications for remaining investors, we may determine that some part of the withdrawal price represents a distribution of income for tax purposes for the financial year.

You can choose to have your distribution reinvested into the Fund or paid into your bank account.

If you choose to have it reinvested, your distribution will be reinvested on the first day after each quarter. The reinvestment price will be the net asset value per unit from the last day of the quarter, adjusted to exclude the income due to be distributed.

Please see Section 7 for information on the taxation of distributions.

If you are invested in the Fund through an IDPS, distributions will be paid to the operator of that service. You should refer to the documents provided by that operator for information regarding how and when your distributions will be paid to you.

## Indirect investors

We authorise the use of this PDS as disclosure to investors who wish to access the Fund indirectly through an IDPS. Reference to 'you' or 'your' in this PDS is generally a reference to a unitholder in the Fund, but may also refer to indirect investors investing through an IDPS as the context requires.

When you invest in the Fund through an IDPS, you are not a direct investor. The IDPS operator invests on your behalf and so has the rights of a direct investor. You should refer to the IDPS operator and its disclosure documents to understand your rights and interests.

**i** You should read the important information about applications and withdrawals before making a decision. Go to **Section 2 How the Funds works** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.

## 3 Benefits of investing in the Maple-Brown Abbott Responsible Investment Fund

### Key features

The Maple-Brown Abbott Responsible Investment Fund is an actively managed Australian share fund that delivers responsible investment through the adoption of an integration, engagement and negative screening strategy. Our long term investment horizon enables us to take a long term view on environmental, social and governance (ESG) factors. We seek long term relationships with the Board and management of our portfolio companies to position us to influence change. The Maple-Brown Abbott Responsible Investment Fund has been certified by the Responsible Investment Association Australasia (RIAA) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program.

We use our proven value investment philosophy and disciplined investment process to select stocks for their perceived fundamental value and the potential for capital growth over the long term. Our bottom-up stock selection approach is based on detailed analysis prepared by our experienced investment team, with all investment decisions based on research prepared using internal forecasts and analysis. This analysis includes the identification and discussion of ESG factors and, where material, their valuation impact and incorporation into portfolio construction. Further, where material ESG factors are identified, we seek to engage with these companies to effect change and realise potential value over the long term.

Stocks deemed to be priced at an attractive discount to our assessment of their underlying value are then negatively screened against, i.e. examined to ensure they meet our range of responsible investment criteria for inclusion in the Fund.

### Responsible investment criteria

Our methodology for taking into account ESG factors is set out below.

We do not invest in companies that derive a material proportion of either their reported revenue or profit from any one or more of the following business activities:

- the manufacture, promotion, distribution or sale of alcohol or tobacco
- gambling or betting or businesses directly connected to these activities
- the manufacture, promotion, distribution or sale of weapons or armaments
- the production, sale or distribution of 'X' or 'R' rated images, videos or films
- the extraction and sale of uranium
- the extraction and sale of thermal coal and the generation and sale of electricity from thermal coal fuel sources.



We estimate the level of a company's revenue or profit derived from any one or more of the business activities listed above. If exposure to any of these business activities is via an interposed vehicle then we ensure a more stringent threshold is applied by looking beyond reported consolidated figures if necessary to recognise the true underlying economic interest.

We then assess materiality according to the following scale:

- if less than 10% of revenue and less than 10% of profit, then we believe these are non-core activities and not a material proportion of the company's business
- if more than 20% of revenue or profit, then this is a material level of activity and the company would be excluded from consideration
- if more than 10% but less than 20% of revenue or profit, then we have discretion to decide whether this level of activity is material or not.
- Considerations for making this determination include, but are not limited to, the prominence of the promotion of these activities by the company and the likely future significance of these activities.

In determining whether the above criteria are met, we also take into account the parent and subsidiaries of the relevant company.

The level of a company's revenue or profit from these business activities, and any impact on materiality, is reviewed twice each year by the portfolio manager responsible for this Fund. If an investment no longer meets our range of responsible investment criteria, it will be sold as soon as reasonably practicable.



CERTIFIED BY RIAA

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Maple-Brown Abbott has adopted strict disclosure practices required under the Responsible Investment Certification Program for the category of Product Provider. The Certification Symbol is a Registered Trade Mark of the RIAA.

Detailed information about RIAA, the Symbol and Maple-Brown Abbott's methodology, performance and stock holdings can be found at [www.responsibleinvestment.org](http://www.responsibleinvestment.org), together with details about other responsible investment products certified by RIAA.<sup>1</sup>

<sup>1</sup> The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.



You should read the important information about online access before making a decision. Go to **Section 3 Benefits of investing in the Funds** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.

## 4 Risks of managed investment schemes

All investing involves risks, with these risks varying depending on the investment strategy and underlying mix of assets within the managed fund. Generally, investments with a higher expected return are of higher risk and volatility.

Risk can be managed, but it cannot be completely eliminated, so it is important to understand that:

- The value of your investment and level of returns may vary
- Past performance is not an indicator of future performance
- Returns are not guaranteed and you may lose money on your investment
- There is no guarantee that you will receive a distribution
- Laws affecting your investment in the managed fund may change over time.

Your appetite for risk will depend on a range of factors, including your age, investment timeframe, other investments you hold and your risk tolerance.

The significant risks for the Fund include:

### Key benefits

The Fund offers a number of significant benefits:

- **Investment expertise** – the opportunity to invest in a fund managed by a dedicated and experienced team
- **Responsible investment return** – the potential to provide investment returns in line with responsible investment objectives
- **Investment growth and distributions** – access to an Australian share portfolio that aims to deliver long term capital growth, along with the potential to receive quarterly distributions
- **Comprehensive investment opportunities** – access to investment opportunities and risk management techniques not generally available to individual investors
- **Access to franked dividends** – the potential for tax-effective income through access to franked dividends
- **Regular reporting** – comprehensive investment reports and transaction, distribution and annual tax statements.



Risk	Description
<b>Specific investment risk</b>	The risk that an investment will fall in value due to factors such as changes in an underlying company's operations, management, profitability or business environment. The investment guidelines include responsible investment considerations, and therefore the performance of this Fund could differ from that of our other Australian equity funds.
<b>Market risk</b>	The risk that an investment will fall in value due to changes in market sentiment or economic, technological, political or legal conditions.
<b>Currency risk</b>	The risks associated with currency movements. Many companies have earnings in foreign currencies. As currencies change in value relative to the Australian dollar, the earnings of the underlying company can change.
<b>Interest rate risk</b>	The risk that changes in interest rates have a negative impact, directly or indirectly, on investment valuations. For example, if rates rise, a company's borrowing costs can increase, causing its profits to decline.
<b>Asset class risk</b>	The risks associated with a particular asset class. For example, Australian equities generally have a higher risk than fixed interest investments and cash because equities have exhibited relatively high levels of volatility in the past.

**i** You should read the important information on additional risks before making a decision. Go to **Section 4 Risks of managed investment schemes** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.

## 5 How we invest your money

### Maple-Brown Abbott Responsible Investment Fund

<b>Description</b>	The Fund is an actively managed fund that invests directly in Australian-listed equities, including REITs, which have been screened to satisfy our range of responsible investment criteria. We may also invest in unlisted equities provided that they are expected to be listed within 3 months from the date of investment. The Fund typically holds at least 30 stocks.		
<b>Investment objective</b>	The Fund aims to outperform the Benchmark over rolling four year periods.		
<b>Benchmark</b>	S&P/ASX 300 Index (Total Returns)		
<b>Investment guidelines</b>	Exposure to a single stock should not be greater than 5% above its weighting in the Benchmark.		
<b>Asset allocation ranges</b>		<b>Minimum %</b>	<b>Maximum %</b>
			<b>Neutral %</b>
	Australian equities	90	100
	Cash	0	10
			100
<b>Risk level</b>	<b>High</b>	High risk of short term loss	
<b>Investor profile</b>	The Fund is suitable for investors who: <ul style="list-style-type: none"> <li>- want to invest for the long term (4 years +)</li> <li>- have a high risk tolerance</li> <li>- want to gain exposure to Australian equities, who seek income, franking credits and long term capital growth through an active, bottom-up value investment style consistent with our investment philosophy, which have been screened to meet our range of responsible investment criteria.</li> </ul>		
<b>Minimum suggested timeframe</b>	4 years or longer		
<b>Fund performance</b>	The latest Fund performance is available at <a href="http://maple-brownabbott.com.au/funds">maple-brownabbott.com.au/funds</a> .		
<b>Changes to Fund details</b>	We can make changes to the Fund at any time, in some cases without prior notice to you. Please refer to Section 9 of this PDS and the AIB for further information.		

*You should consider the likely investment return, risk level, and your investment timeframe before choosing to invest in the Fund.*

**i** You should read the important information about our investment philosophy and process, our environmental, social, ethical and governance considerations, labour standards and borrowing powers before making a decision. Go to **Section 5 How we invest your money** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.



## 6 Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period, (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

#### To find out more

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

This section provides information about the fees and other costs that you may be charged by the Fund. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole. **Additional fees may also be payable by you to a financial adviser.** If you consult a financial adviser you should refer to the Statement of Advice for details. Information about tax is set out in Section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs with those of other managed funds.

Type of fee or cost <sup>1</sup>	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee <sup>2</sup>	Nil
Withdrawal fee <sup>2</sup>	Nil
Exit fee	Nil
<b>Management costs<sup>3,4,5</sup></b>	
The fees and costs for managing your investment	0.90% p.a. of the net asset value of the Fund <sup>6</sup>

- 1 Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable Reduced Input Tax Credits.
- 2 An allowance for the buy-sell spread applies to applications and withdrawals. Refer to information below about the buy-sell spread.
- 3 Management costs are comprised of the base fee, indirect costs and recoverable expenses. The base fee is the fee that we charge, as at the date of this PDS. All other components of management costs are based on the indirect costs and recoverable expenses incurred during the financial year ended 30 June 2019. For more information on the base fee, indirect costs and recoverable expenses please refer to the information below about the base fee and to Section 6 in the AIB located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).
- 4 The current management costs are available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).
- 5 Fees may be negotiated if you are a wholesale investor as defined in the *Corporations Act 2001 (Cth)*.
- 6 The net asset value of the Fund is the gross value of the assets less any liabilities (excluding withdrawal liabilities).

### Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs of the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed funds.

Example	Balance of \$50,000 with a contribution of \$10,000 during the year	
Contribution fees	Nil	For every additional \$10,000 you put in you will be charged \$0 <sup>1</sup> .
<b>PLUS</b> Management costs	0.90% <sup>2</sup>	And, for every \$50,000 you have in the Fund you will be charged \$450 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged fees of \$450. <sup>31</sup> What it costs you will depend on the fees you negotiate.

- 1 An allowance for the buy-sell spread applies to applications and withdrawals. Refer to information below about the buy-sell spread.
- 2 For more information on the base fee, indirect costs and recoverable expenses please refer to the information below about the base fee and to Section 6 in the AIB located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).
- 3 This example assumes the \$10,000 contribution occurs at the end of the year and so management costs are calculated using the \$50,000 balance only.

### Additional explanation of fees and costs

#### Base fee

The base fee is the fee we charge for managing the assets and overseeing the operations of the Fund. The base fee is currently 0.88% p.a. (exclusive of GST) of the net asset value of the Fund, which is approximately 0.90% p.a. (inclusive of GST). The maximum base fee permitted under the Fund's Constitution is 2.50% p.a. (exclusive of GST) of the Fund's gross value.

**Transactional and operational costs and buy-sell spread****Net transactional and operational costs**

Transactional and operational costs represent the costs from the Fund's investing activities. These costs are in addition to the management costs referred to above. Both the management costs and transactional and operational costs are reflected in the unit price and impact the performance of the Fund.

**Net transactional and operational costs**

Total transactional and operational costs	0.09% <sup>1</sup>	This is the transactional and operational costs and includes brokerage, settlement costs, clearing costs, stamp duty and other taxes on an investment transaction. It also includes the difference between the price paid for purchasing securities and the price that would be payable if selling securities (i.e. bid/ask spread).
<b>LESS</b> Buy-sell spread recovery	0.00% <sup>1</sup>	Represents the amount charged to investors that relates to investor applications and withdrawals.
<b>EQUALS</b> Net transactional and operational costs	0.09% <sup>12</sup>	This is the transactional and operational costs that result from our investing activities that do not relate to investor applications and withdrawals (i.e. buy-sell spread recovery). They are borne by the Fund and reflected in the unit price and impact the performance of the Fund.

1 Based on the estimated costs incurred during the financial year ended 30 June 2019, expressed as a percentage of the average Fund net asset value.

2 Transactional and operational costs may vary from year to year. We recalculate the estimated net transactional and operational costs each year or if there has been a significant change in net transactional and operational costs. Based on several prior years' experience, we expect net transactional and operational costs to generally fall within a range of between 0.09% and 0.21% p.a. The current estimated net transactional and operational costs are available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).

**Buy-sell spread**

The buy-sell spread is an additional cost to you. This ensures existing investors are not disadvantaged due to the costs associated with buying or selling the Fund's investments as a result of applications and withdrawals.

We recalculate the buy-sell spread each year or if there has been a significant change in the costs of buying and selling the Fund's investments.

We also have the discretion, under the Constitution, to waive some or all of the buy-sell spread if an application or withdrawal is to be satisfied by an in-specie transfer.

At the date of this PDS, the Fund's buy-sell spread is 0.38%. This means the application price is the net asset value per unit plus 0.19% and the withdrawal price is the net asset value per unit less 0.19%. This is retained by the Fund and is not paid to us.

In dollar terms, the allowance for transaction costs for an application of \$10,000 and a withdrawal of \$10,000 is \$19 in each case.

All current buy-sell spreads are available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).

**Fee changes**

We have the right to change the Fund's fees, provided you have been given at least 30 days prior written notice of any material increases and subject to any limits in the Fund's Constitution. We are not required to notify you of any changes in government fees or charges payable out of the Fund that are not materially adverse. All estimates of fees in this Section 6 are based on information available as at the date of this PDS. You should refer to [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds) from time to time for any updates which are not materially adverse to investors.

**Indirect investors**

If you are investing through an IDPS, fees and expenses applicable to the IDPS (as set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses in this PDS.

We may pay product access payments to certain IDPS operators to have the Fund on their investment menus. These payments are paid by us out of our base fee, not the Fund, and are not an additional cost to you.

**i** You should read the important information on fees and costs before making a decision. Go to **Section 6 Fees and costs** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.

**7 How managed investment schemes are taxed****Investing in the Fund is likely to have tax consequences**

The following comments should not be regarded as tax advice and are based on current taxation laws and their interpretation.

**Tax position of the Fund**

On the basis that investors are entitled to all of the distributable income of the Fund for a financial year, the Fund itself should not be liable for tax. Australian resident investors who are entitled to a share of the Fund's distributable income will be required to include a proportionate share of the taxable income of the Fund in their assessable income.

Current tax legislation allows us, as responsible entity, to make an irrevocable election to apply the Capital Gains Tax (CGT) provisions as the primary regime for taxation of gains and losses from the realisation of an asset, where the Fund is an eligible Managed Investment Trust (MIT). Where a fund is an eligible MIT, investors who are individuals or superannuation funds are entitled to the CGT tax concessions on distributions of capital gains.

As the Fund is currently not an eligible MIT, ordinary principles apply when determining whether the realisation of an asset is on revenue or capital account. The Australian Taxation Office (ATO) has issued a guidance note on this, with the determination depending on a number of factors such as investment style, how long the assets are held, the fund's average annual turnover and the percentage of total income that the gains represent.

Based on these factors, we have determined that for the tax year ending 30 June 2019, the realisation of an asset for the Fund will be treated as being on capital account for tax purposes. We will continue to monitor the Fund's MIT status taking into account those factors considered relevant by the ATO.

**Taxation of investors**

Managed investment schemes are generally not required to pay tax on behalf of Australian resident investors. However, income distributed to non-resident investors may be subject to Australian withholding tax.

Australian resident investors are assessed for tax on any income and capital gains generated by the Fund. The amount that is included in your assessable income is based on your share of the Fund's distributable income in the financial year that it arises, whether it is paid to you or reinvested, even though you may receive some or all of it in the next financial year.

Depending on your individual circumstances, you may also be entitled to the benefit of franking credits or eligible to claim foreign income tax offsets.

You may also incur a capital gains tax liability if you dispose of your units by way of transfer or withdrawal from the Fund.



The tax statement that you receive for each financial year will show the tax composition of any distributions that you have received from the Fund for that year.

#### **Attribution Managed Investment Trust**

The attribution managed investment trust (AMIT) rules can potentially apply to funds which are eligible MITs. Since the Fund currently does not have MIT status it is prevented from electing to apply the AMIT rules.

**The Australian taxation system is complex and we strongly advise that you seek independent professional tax advice about your specific circumstances.**

**Investing in the Fund may also affect your entitlement to pension or other social security benefits. We suggest you seek advice from your financial advisor or Centrelink.**



You should read the important information on taxation before making a decision. Go to **Section 7 How managed investment schemes are taxed** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.

## **8 How to apply**

Before investing in the Fund, you should read this PDS and the AIB to ensure the Fund meets your needs.

To invest in the Fund, you will need to complete an Initial Application including relevant Customer Identification. You can find these forms at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds) or by contacting us on 02 8226 6200.

The payment details for investing in the Fund are set out in the Initial Application Form.

If you are investing through an IDPS you will not be personally completing the Initial Application Form. You must follow the application process as advised by the operator of that service.

#### **Cooling-off**

If you are a retail investor, as defined in the *Corporations Act 2001 (Cth)*, you have a 14 day cooling-off period to reconsider if an investment in the Fund meets your needs. Your 14 day cooling-off period begins at the end of the fifth Business Day after units have been issued to you, or the date that you receive your investment confirmation, whichever is earlier.

You must instruct us in writing before the end of the cooling-off period if you are a retail investor and wish to exercise your cooling-off rights. You can send your written instructions to us by mail or by fax.

We will then pay the proceeds into your nominated bank account (we cannot accept new bank account details by fax) or send you a cheque.

Cooling-off rights do not apply to distribution reinvestments, additional investments or where a right is exercised in relation to your investment during the cooling-off period.

If you exercise your cooling-off rights, your money will be returned to you. The amount returned may be higher or lower than your original investment, reflecting market movements and the deduction of reasonable transaction and administrative costs, or any other amount that may be deducted under the legislation.

This may also have tax implications for you.

If you have invested through an IDPS then no cooling-off rights apply.

## **9 Other information**

#### **Enquiries and complaints**

We are committed to providing you with a high level of service.

If you have an enquiry or complaint, or you require further information about your investment in the Fund, please contact us on 02 8226 6200. If you are investing through an IDPS, any enquiries or complaints should first be directed to the IDPS operator unless your enquiry or complaint relates to the Fund in which event you may make a complaint as if you were a direct investor of the Fund.

We will acknowledge your complaint within 5 days and aim to resolve your complaint within 45 days.

If you are not satisfied with our response, you can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

#### **PDS changes**

We may change information in this PDS from time to time.

Where these changes are not materially adverse, this updated information will be available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds) or by contacting us on 02 8226 6200. A paper copy of this updated information will be provided to you free of charge on request.

If we make a materially adverse change, we will issue a replacement PDS.

If there is a material increase in fees, we will give you at least 30 days prior notice in writing.

#### **No representation or guarantee**

We make no representation or give any guarantee as to the future performance or success of, the rate of income from or capital return from, the recovery of money invested in, or the income tax or other taxation consequences of, any investment in the Fund, whether made on the basis of this PDS or otherwise.

#### **Disclosing entity**

If the Fund becomes a disclosing entity, the Fund will be subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You can also contact us on 02 8226 6200 to request copies of the following documents, free of charge:

- the most recent annual financial report lodged with ASIC for the Fund
- any half-year financial report for the Fund lodged with ASIC after the lodgement of the above annual financial report
- any continuous disclosure notices that are lodged with ASIC for the Fund.

The documents above are also available at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds).



You should read the important information on investor rights, the Constitution, roles and responsibilities of an appointed representative, related party transactions and conflicts of interest, the Custodian, protecting your privacy, consents before making a decision. Go to **Section 9 Other information** in the 'Maple-Brown Abbott Funds: Additional Information Booklet' located at [maple-brownabbott.com.au/funds](http://maple-brownabbott.com.au/funds). This information may change between the time when you read this PDS and the day when you acquire the product.