

Airlie Australian Share Fund

Additional Information Booklet | 1 December 2019

Issued by: **Magellan Asset Management Limited**
ABN 31 120 593 946, AFS Licence No. 304 301

You should read this Additional Information Booklet together with the PDS for the Airlie Australian Share Fund (ARSN 623 378 487) (the "Fund") if you are considering investing in the Fund.

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Contact Details

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Sydney NSW 2000

Website www.airlieaustraliansharefund.com.au

Email adviserservices@airliefm.com.au

Investor Services – Unit Registry: Link Fund Solutions

T 1800 236 994 (or +61 1800 236 994 from outside Australia)
F +61 2 9287 0353
E airlie@linkmarketservices.com.au
A PO Box 3753 Rhodes NSW 2138

Adviser Enquiries

T +61 2 9235 4760
E adviserservices@airliefm.com.au

This Additional Information Booklet ("Booklet") provides important additional information about topics specified under the prescribed sections of the Product Disclosure Statement ("PDS") for the Fund.

The information in this Booklet forms part of the PDS. The PDS is available at www.airlieaustraliansharefund.com.au or you can call us and we will send you a paper copy free of charge.

The information in the PDS and in this Booklet is general information only and does not take into account your personal financial situation or needs. Before making an investment decision based on this PDS, you should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

Please visit our website for further information on the Fund including unit prices and performance. We recommend that you obtain and review such information before you invest. Alternatively, you can call us and we will send you a paper copy of such information free of charge.

1. About Magellan Asset Management Limited

There is no additional information regarding Magellan Asset Management Limited trading as Airlie Funds Management (the “Responsible Entity”, “Investment Manager”, “we”, “our” or “us”).

2. How Airlie Australian Share Fund works

Units and unit prices

The unit price is calculated by dividing the net asset value (“NAV”) by the number of units on issue. The unit price fluctuates each day as the market value of the Fund’s assets rises or falls. The NAV unit price applicable to a given business day in New South Wales (“Business Day”) reflects the value of the net assets at the close of business in each market in which the Fund invests. The NAV unit price is usually calculated by the end of the Business Day following the day to which it is applicable and is usually published on our website by 7.00pm (Sydney time) on the day of calculation.

When you invest in the Fund, we will calculate the units you receive using an entry unit price. The entry unit price is the NAV unit price for that day plus an allowance for transaction costs incurred by the Fund. When you withdraw your investment in the Fund, the value of your units will be calculated using an exit unit price. The exit unit price is the NAV unit price less an allowance for transaction costs. Further information about transaction costs can be found in Section 6 of the PDS.

The Responsible Entity’s Unit Pricing Permitted Discretions Policy provides further information about how we calculate unit prices. You can request a copy of the policy free of charge by calling us.

Completing the Application Form

The Application Form is available from www.airlieaustraliansharefund.com.au.

The Application Form includes details of the identification documentation that we are required by law to collect from you before we can issue units in the Fund to you.

Please mail the completed original of the Application Form, together with certified copies of the requested identification documentation, to our Unit Registry. The Unit Registry’s postal address details appear on the front of this Booklet and on the Application Form.

Please note that legislative requirements mean that we may not be able to accept an Application Form for an initial investment by fax or email. However, we may accept applications by other electronic means.

Additional investments

You can make an additional investment into an existing account at any time. The easiest means to make an additional investment is by BPAY®. There is no requirement to send in an Additional Application Form if you are making an additional investment by BPAY®. Your unique Customer Reference Number (“CRN”) will allow the Unit Registry to apply your additional investment to your account. Please refer to your last transaction confirmation or contact the Unit Registry to obtain your CRN.

If you intend to make an additional investment by EFT or cheque, you can complete the Additional Application Form available on our website, or you can fax, email or write to our Unit Registry indicating:

- your account name
- your account/investor number
- the name of the Fund into which you are making an additional investment
- the amount of additional monies you are investing
- the method of payment.

Payment of your application monies

We can accept payment of your application monies by BPAY® (additional applications only), Australian Dollar cheque, electronic funds transfer (EFT) or Direct Debit (initial applications only). Direct Debit requests can only be made from an Australian bank account.

By BPAY (additional investments only)

You can make additional investments using BPAY® (you cannot make initial investments using BPAY®). Contact your participating Australian financial institution to establish this service.

BPAY® provides you with the flexibility to make regular recurring additional investments at the frequency and amount of your choosing (subject to the minimum additional investment amount of \$500).

Please follow these steps using your bank account’s BPAY® function if you wish to add to your existing investment without the need to complete any forms:

1. Enter the Biller Code of the Fund – 287607.
2. Enter your unique 12-digit Customer Reference Number (“CRN”). Please note that this is different from your investor number. Please contact the Unit Registry to obtain your CRN, or refer to your latest transaction confirmation.
3. Enter the amount you wish to invest. Please note that a minimum of \$500 applies to additional investments made by BPAY®.
4. Save a copy of your BPAY® payment receipt as proof of payment. The Unit Registry will send you a transaction confirmation once units have been issued to you.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

By Cheque

If you wish to pay by cheque, please make your cheque payable to Magellan Asset Management Ltd ATF Airlie Australian Share Fund and mail the cheque with your Application Form.

By EFT

EFT payments can be made directly to the Fund's applications bank account. The Fund's bank account details are as follows:

| Fund: | Bank: | Branch: | Account Name: | BSB: | Account Number: |
|------------------------------|---|--------------------------------|---|--------|-----------------|
| Airlie Australian Share Fund | Australia and New Zealand Banking Group | 115 Pitt St, Sydney, NSW, 2000 | Magellan Asset Management Ltd ATF Airlie Australian Share Fund | 012003 | 837601262 |

If you invest by EFT, you must quote your account name (or part thereof) and/or your current investor number as a reference to the payment. If you make an additional investment by EFT, please also ensure that you notify the Unit Registry of your EFT payment using the Additional Application Form or by sending an email to the Unit Registry. Otherwise, there may be a delay in issuing you with units.

By Direct Debit

If you wish to pay by Direct Debit, please complete and sign the Direct Debit section of the Application Form. This will give us the authority to debit the monies from the account that you nominate. Please also ensure you have read the terms of the Direct Debit Service Agreement which appear in Section 9 of this Booklet.

Direct Debit is available for initial applications only.

Any interest earned on the Fund's bank account is retained by the Responsible Entity.

Withdrawals

We will accept withdrawal requests via fax, email or mail. Instructions to withdraw should be signed by the nominated authorised signatory or signatories. Under some circumstances, we may need to contact you to request further documentation to confirm the validity of your instruction. This may delay processing of the withdrawal request.

We can only pay redemption proceeds to an Australian or New Zealand bank account held in the name of the investor. We are unable to pay redemption proceeds to a third party bank account. Normally we will pay redemption proceeds to the bank account you nominated on your Application Form when you opened your investment in the Fund, or if you have subsequently written to us to change your nominated account, we will pay proceeds to that account. For redemption proceeds paid to New Zealand bank accounts, the conversion of your Australian dollar proceeds to New Zealand dollars will be processed by the Fund's bank at the exchange rate prevailing at the processing time.

We will send you a confirmation of your redemption once it has been processed and paid.

Restrictions on withdrawals

No withdrawals or payment of withdrawal proceeds shall be permitted where the calculation of the Net Asset Value of the Fund or withdrawals are suspended. Withdrawals may be suspended for up to 28 days including where:

- e) it is impracticable for us, or we are unable, to calculate the Net Asset Value of the Fund, for example, because of financial market disruptions or closures;
- f) the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in our opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of units held;
- g) we reasonably consider it would be in the interests of investors, or it is otherwise permitted by law; or
- h) where we receive withdrawal requests of an aggregate value that in our reasonable estimate exceeds 5% of the Fund's assets.

The withdrawal process, including the calculation of the exit unit price, applies only when the Fund is 'liquid' (within the meaning given to that term in the Corporations Act 2001). Where the Fund ceases to be liquid, units may only be withdrawn pursuant to a withdrawal offer made to all investors in the Fund in accordance with the Fund's constitution and the Corporations Act 2001. We are not obliged to make such offers.

Indirect investors

We authorise the use of this PDS as disclosure to persons who wish to access the Fund indirectly through an Investor Directed Portfolio Service ("IDPS"), IDPS-like scheme or a nominee or custody service (collectively referred to as "master trusts" or "wrap accounts").

If you are investing in the Fund through a master trust or wrap account you do not yourself become an investor in the Fund. Instead, as the master trust or wrap account operator is investing on your behalf, it acquires the rights of investors. In most cases, references to 'you' or 'your' in the PDS (for example, receiving distribution income, reinvestment distribution income and redemptions) is a reference to the master trust or wrap account operator and accordingly their arrangements with you will set out your rights. We do not keep personal information about indirect investors.

Further, some provisions of the Fund's constitution will not be relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the master trust or wrap account operator, not us. The master trust or wrap account operator can exercise (or decline to exercise) those rights in accordance with the arrangements governing the operation of the master trust or wrap account.

Enquiries about the Fund should be directed to your licensed financial adviser, master trust or wrap account operator.

3. Benefits of investing in Airlie Australian Share Fund

There is no additional information for this section.

4. Risks of managed investment schemes

There is no additional information for this section.

5. How we invest your money

Borrowing restrictions

The Fund may borrow against all or part of its investment portfolio, provided that, at the time any new borrowing is entered into, the aggregate of those new borrowings and any pre-existing borrowings do not exceed 5% of the Fund's gross asset value.

Changes to the Fund

The Responsible Entity has the right to close or terminate the Fund and change the Fund's investment return objective, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. The Responsible Entity will inform investors of any material changes to the Fund's details in our next regular communication or as otherwise required by law.

Labour standards and environmental, social or ethical considerations

The Investment Manager believes that issues relating to labour standards, and to environmental, social and ethical considerations have the potential to affect the business outcomes of the Fund's investment companies. Accordingly the Investment Manager considers labour standards, and environmental, social and ethical considerations as part of the risk assessment that is completed when it determines the investment grade status of a company.

6. Fees and costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Airlie Australian Share Fund

| Type of fee or cost | Amount | How and when paid |
|---|-----------------------|---|
| Fees when your money moves in or out of the Fund | | |
| Establishment fee The fee to open your investment | Nil | Not applicable. |
| Contribution fee The fee on each amount contributed to your investment | Nil | Not applicable. |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | Not applicable. |
| Exit fee The fee to close your investment | Nil | Not applicable. |
| Management costs[^] The fees and costs for managing your investment | | |
| Management fee | % per annum 0.78%* | The management fee is calculated daily based on the value of Fund on that Business Day. An estimate is accrued daily in the unit price and the fee is payable monthly in arrears from the assets of the Fund. |
| Service fees | | |
| Switching fee The fee for changing investment options | Nil | Not applicable. |

[^] These fees may be individually negotiated if you are a wholesale client (as defined in the Corporations Act 2001). For more information about negotiable fees, see 'Differential fees' under the heading 'Additional Explanation of Fees and Costs'.

* Management costs described above are inclusive of the estimated net effect of Goods and Services Tax ("GST") (i.e. inclusive of GST, less any reduced input tax credits). For more information about management costs, see 'Management fees' under the heading 'Additional Explanation of Fees and Costs'.

Additional Explanation of Fees and Costs

Management fees

The Fund pays a management fee to the Responsible Entity for managing the assets of the Fund and to cover normal fund expenses.

The management fees help cover all ordinary fees, costs, charges, expenses and outgoings that are incurred in connection with the Fund (such as administration and accounting costs, registry fees, audit and tax fees, and investor reporting expenses). Management fees are calculated each day based on the NAV (before fees) of the Fund. Estimated fees are reflected in the daily unit price and are payable at the end of each month from the assets of the Fund.

Under the Fund's constitution, the Responsible Entity is entitled to receive maximum management fees of 1.00% per annum (exclusive of GST). The management fees stated in the PDS are inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits). To the extent the GST impact changes, the actual management fees may vary from the rates stated above.

Where the Fund incurs extraordinary expenses and outgoings that are not covered by the management fee, the Responsible Entity may pay for these from the Fund's assets. We may pay extraordinary expenses and outgoings from the Fund's assets because, under the constitution of the Fund, in addition to the management fee, the Responsible Entity is entitled to be indemnified from the assets of the Fund for any liability properly incurred by us in performing properly any of our duties or exercising any of our powers in relation to the Fund or attempting to do so.

Total transactional and operational costs

Transactional and operational costs such as brokerage and transactional taxes are incurred by the Fund when the Fund acquires and disposes of securities. An estimate of transactional and operational costs for the Fund is provided in the table below. These estimated costs are based on the actual transactional and operational costs incurred by the Fund for the year ended 30 June 2019.

| Total transactional and operational costs (% p.a.) | Recovery through buy/sell spread (% p.a.) | Net transactional and operational costs (% p.a.) | For every \$50,000 you have in the Fund you will likely incur approximately: |
|--|---|--|--|
| 0.53% | 0.11% | 0.42% | \$210 |

The amount of these costs will vary from year to year depending on the volume and value of the trading activity in the Fund, and the value of applications and withdrawals processed. Where the transactional and operational costs are not fully recovered from investors from the buy / sell spread, the difference will be borne by the Fund out of the Fund's assets without recovery from individual investors and is reflected in the unit price.

Transactional and operational costs are paid out of the assets of the Fund and are not paid to the Responsible Entity.

Fees for indirect investors

For investors accessing the Fund through an Investor Directed Portfolio Service ("IDPS"), IDPS-like scheme or a nominee or custody service (collectively referred to as "master trusts" or "wrap accounts"), additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator. These are not fees paid to the Responsible Entity.

Payments to platforms

Some master trusts, wrap accounts or other investment administration services ("Platforms") charge product access payments fees (as a flat dollar amount each year) for having the Fund included on their investment menus. We may, therefore, pay amounts from the fees we receive to any Platform through which the Fund is made available. As these amounts are paid by us out of our own resources, they are not an additional cost to you.

Financial adviser fees

Your licensed financial adviser may also charge you fees for the services they provide. These should be set out in the Statement of Advice given to you by your adviser. The Responsible Entity pays no commissions related to your investments to financial advisers.

Differential fees

A rebate of part of the management fees or a lower management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act 2001. Further information can be obtained by contacting us.

7. How managed investment schemes are taxed

Investing in the Fund is likely to have tax consequences. Before investing in the Fund, investors are strongly recommended to seek their own professional tax advice about the applicable Australian tax consequences and, if appropriate, foreign tax consequences that may apply to them based on their particular circumstances.

The taxation information contained in this Booklet reflects the Australian income tax legislation in force, and the interpretation of the Australian Taxation Office ("ATO") and the courts, as at the date of issue of this Booklet. Taxation laws are subject to continual change and there are reviews in progress that may impact the taxation of trusts and investors.

AMIT Regime

The Fund has elected to become an Attribution Managed Investment Trust ("AMIT").

Accordingly, investors will be subject to tax on the income of the Fund that is attributed to them under the AMIT rules each year ending 30 June. If there is income of the Fund that is not attributed to an investor, the Fund will be subject to tax at the highest marginal rate (plus Medicare levy) on that non-attributed income. The AMIT rules will also allow the Fund to accumulate part or all of the Fund's income in the Fund, in which case the income of the Fund that is attributed to you (and which must be included in your income tax return) will be more than the total distribution you receive.

Investors will be assessed for tax on their share of the net income and net capital gains generated by the Fund that is attributed to them under the AMIT rules. Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual Statement) that will provide them with details of the amounts that have been attributed to them by the Fund to assist them in the preparation of their tax return.

If the Fund was to incur a tax loss for a year then the Fund could not attribute that loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such a loss against taxable income of the Fund in subsequent income years.

Depending on an investor's particular circumstances, they may also be liable to pay capital gains tax (or income tax if they hold their Units on revenue account) when they withdraw units.

Taxation of non-resident investors

If a non-resident investor is entitled to taxable income of the Fund, the investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Responsible Entity in respect of your tax liability.

Taxation reforms

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

Quoting your Tax File Number ("TFN") or an Australian Business Number ("ABN")

It is not compulsory for investors to quote their TFN, ABN, or exemption details. However, should an investor choose not to, the Responsible Entity is required to deduct tax from an investor's distributions at the maximum personal rate (plus the Medicare levy). Collection of TFNs is permitted by taxation and privacy legislation.

GST

Your investment in the Fund will not be subject to goods and services tax.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act ("FATCA"), the Responsible Entity is required to collect and report information about certain investors identified as U.S. tax residents or citizens. In order to comply with its FATCA obligations, we may request investors to provide certain information ("FATCA Information").

To the extent that all FATCA Information is obtained, the imposition of US withholding tax on payments of US income, or gross proceeds from the sale of particular US securities shall not apply. Although we will attempt to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of this withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, we may provide FATCA Information to the ATO. We may use your personal information in order to comply with FATCA and may contact an investor if additional information is required.

Common Reporting Standard

The Common Reporting Standard ("CRS") requires the Responsible Entity to collect certain information about an investor's tax residence. If an investor is a tax resident of any country outside Australia, we may be required to pass certain information about the investor (including account-related information) to the ATO. The ATO may then exchange this information with the tax authorities of another jurisdiction or jurisdictions pursuant to intergovernmental agreements to exchange financial account information.

Although CRS does not involve any withholding tax obligations please be aware that we may use your personal information in order to comply with the CRS obligations, and may contact an investor if additional information is required. Note: The account opening process cannot be completed until the requested information has been provided.

8. How to apply

There is no additional information for this section.

9. Other information

Change of details

From time to time, you may need to advise us of changes relating to your investment. You may advise us by fax, email or mail of changes relating to:

- your mailing address;
- your licensed financial adviser, if you have nominated one;
- your election to receive distributions as cash or to reinvest them; or
- your regular investment, if you participate in a regular monthly investment plan.

If you need to advise us of changes relating to your nominated bank account (to which we will pay the proceeds of withdrawals and distributions, if you have elected to receive these as cash), we require you to instruct us via mail. Please note that to enable us to verify that the account is in the name of the investor, you will need to include a copy of a bank statement for the new account with your notification showing the name in which the account is held and the bank account number. The Responsible Entity may also request a certified copy of the bank statement.

We require original copies of standard transfer forms to be mailed to us (used if you wish to transfer your units from one account to a different account). We are unable to process transfer forms that are faxed, emailed or photocopied.

We require your instructions to be signed by the nominated signatory on your account. If you have nominated joint signatories for the account, both should sign notifications of changes in any of your details.

Contact details:

Mail Link Fund Solutions – Unit Registry
PO Box 3753
Rhodes NSW 2138

Email airlie@linkmarketservices.com.au

Fax + 61 2 9287 0353

Phone 1800 236 994 (or +61 2 1800 236 994 from outside Australia)

Constitution

The operation of the Fund is governed under the Law and the constitution of the Fund which addresses matters such as unit pricing and withdrawals and applications; the issue and transfer of units; investor meetings; investors' rights; our powers to invest, borrow and generally manage the Fund and our fee entitlement and right to be indemnified from the Fund's assets. The Constitution states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind. The Responsible Entity may alter the Fund's Constitution if it reasonably considers that the amendments will not adversely affect investors' rights. Otherwise, the Responsible Entity must obtain investors' approval at a meeting of investors. The Responsible Entity may retire or be required to retire as responsible entity (if investors vote for our removal). No units may be issued after the 80th anniversary of the date of the Constitution. The Responsible Entity may exercise its right to terminate the Fund earlier. Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

You can inspect a copy of the Fund's Constitution at the Responsible Entity's head office or a copy will be provided to you free of charge.

Classes of Units in a Fund

Additional unit classes in the Fund may be issued by the Responsible Entity in the future with the same or different terms to any existing unit classes of that Fund.

Custodian

The Northern Trust Company (acting through its Australian branch) ('**Northern Trust**') has been appointed to hold the assets of the Fund under a Master Custody Agreement. As Custodian, Northern Trust will safe-keep the assets of the Fund, collect the income of the Fund's assets and act on our directions to settle the Fund's trades. Northern Trust does not make investment decisions in respect of the Fund's assets that it holds.

Consents

The following parties have given written consent (which has not been withdrawn at the date of this PDS) to being named in this PDS and to the inclusion of statements made by or about them in the form and context in which they are named and those statements appear, in this PDS:

- Link Fund Solutions; and
- The Northern Trust Company.

Each party named above who has consented to be named in the PDS:

- has not authorised or caused the issue of this PDS;
- does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based) other than as specified; and

to the maximum extent permitted by law, takes no responsibility for any part of the PDS other than the reference to their name in a statement included in the PDS with their consent as specified.

Anti-money laundering and counter terrorism financing (AML/CTF)

Australia's AML/CTF laws require us to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that we know certain information about investors in the Fund. To meet this legal requirement, we need to collect certain identification information and documentation ("**KYC Documents**") from you if you are a new investor. We may also ask an existing investor to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or redemptions will be delayed or refused if you do not provide the KYC Documents when requested.

Under the AML/CTF laws, we may be required to submit reports to the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**"). This may include the disclosure of your personal information. We may not be able to tell you when this occurs and, as a result, AUSTRAC may require us to deny you (on a temporary or permanent basis) access to your investment.

This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment. We are not liable for any loss you may suffer because of compliance with the AML/CTF laws.

Your privacy

The Responsible Entity will collect, hold, use, disclose and protect personal information in accordance with our Privacy Policy. A copy of our Privacy Policy is available on our website. You should contact us if you have any questions about our practices relating to the handling of personal information.

Your personal information is disclosed, collected and used by Link Fund Solutions, who we have engaged as the Fund's third party investment administrator to support the administration of the Fund. We have contractual arrangements with Link Fund Solutions to ensure that they comply with privacy laws when dealing with your personal information. A copy of Link Fund Solutions' Privacy Policy can be accessed through their website at www.linkfundsolutions.com.

We may use your personal information to market products and services to you; and to improve customer service by providing your personal information to other external service providers (including companies conducting market research).

We also use your personal information to comply with AML/CTF laws, Australian taxation laws and all other applicable laws; and disclose personal information to various law enforcement agencies, regulatory authorities and governments around the world, including the ATO and the AUSTRAC.

Under FATCA and the CRS, we are required to ask about your tax residency status under taxation information sharing agreements between Australia and other countries.

Additional information for New Zealand investors

Warning Statement to New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

Direct Debit Request Service Agreement

This information applies only if you have indicated that you wish for your initial investment amount to be paid by direct debit. Please ensure you have provided the details of your financial institution and completed the direct debit request in the relevant sections of the Application Form or Additional Application Form.

The following is your Direct Debit Service Agreement (“**Agreement**”) with Magellan Asset Management Limited (Direct Debit User: 526477), who acts as the Responsible Entity for the Fund. The Agreement is designed to explain what your obligations are when undertaking a direct debit arrangement with us. It also details what our obligations are to you as your direct debit provider. We recommend you keep this information in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request in the relevant sections of the Application Form.

Definitions:

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited

Agreement means the Direct Debit Request Service Agreement between you and us

Banking Day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia

Debit Day means the day that payment by you to us is due

Debit Payment means a particular transaction where a debit is made

Direct Debit Request means the direct debit request in the Application Form

Us, we or our means Magellan Asset Management Limited ABN 31 120 593 946, you have authorised by signing a Direct Debit Request

You means the customer who has signed or authorised by other means the Direct Debit Request

Your Financial Institution means the financial institution nominated by you on the Direct Debit Request at which the account is maintained.

1. Debiting your Account

1.1 By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your Account. We have authorised our Unit Registry, Link Fund Solutions (ABN 44 114 914 215) to perform certain direct debit activities on our behalf. You should refer to the Direct Debit Request and this Agreement for the terms of the arrangement between us and you.

1.2 We will only arrange for funds to be debited from your Account as authorised in the Direct Debit Request

or

We will only arrange for funds to be debited from your Account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.

1.3 If the Debit Day falls on a day that is not a Banking Day, we may direct your Financial Institution to debit your Account on the following Banking Day. If you are unsure about which day your Account has or will be debited you should ask your Financial Institution.

2. Amendments by Us

2.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

3. Amendments by You

3.1 You may change, stop or defer a Debit Payment, or terminate this Agreement by providing us with at least fourteen (14) days notification by writing to our Unit Registry at:

**Link Fund Solutions
PO Box 3753
Rhodes NSW 2138**

or by telephoning our Unit Registry on 1800 236 994 or +61 1800 236 994 (international) during business hours, or arranging it through your own Financial Institution.

4. Your Obligations

4.1 It is your responsibility to ensure that there are sufficient clear funds available in your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

4.2 If there are insufficient clear funds in your Account to meet a Debit Payment:

- a) you may be charged a fee and/or interest by your Financial Institution;
- b) you may also incur fees or charges imposed or incurred by us; and
- c) you must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in your Account by an agreed time so that we can process the Debit Payment.

4.3 You should check your Account statement to verify that the amounts debited from your Account are correct.

4.4 If we are liable to pay goods and services tax ("GST") on a supply made in connection with this Agreement, then you agree to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

5.1 If you believe that there has been an error in debiting your Account, you should notify our Unit Registry directly on 1800 236 994 and confirm that notice in writing with our Unit Registry as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your Financial Institution directly.

5.2 If we conclude as a result of our investigations that your Account has been incorrectly debited we will respond to your query by arranging for your Financial Institution to adjust your Account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your Account has been adjusted.

5.3 If we conclude as a result of our investigations that your Account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

6. Accounts

6.1 You should check:

- a) With your Financial Institution whether direct debiting is available from your Account as direct debiting is not available on all accounts offered by financial institutions; and
- b) Your Account details which you have provided to us are correct by checking them against a recent account statement; and
- c) With your Financial Institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

7. Confidentiality

7.1 Information (including your Account details) in your direct debit request (Information) will be kept confidential. Reasonable efforts will be made to keep any such Information secure and to ensure that any employees or agents who have access to the Information do not make any unauthorised use, modification, reproduction or disclosure of that Information.

7.2 Information about you may be disclosed:

- a) To the extent specifically required by law; or
- b) For the purposes of this Agreement (including disclosing information in connection with any query or claim).

8. Notice

8.1 If you wish to notify us in writing about anything relating to this Agreement, you should write to our Unit Registry:

**Link Fund Solutions
PO Box 3753
Rhodes NSW 2138**

8.2 We or our Unit Registry will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request. Any notice will be deemed to have been received on the third Banking Day after posting.