

# FUNDHOST LTD

ABN 69 092 517 087 | Australian Financial Services Licence (AFSL) 233 045

## Information Booklet

Issue No. 1 Dated 22 June 2015

The information in this document forms part of the product disclosure statement dated 22 June 2015 and issued by Fundhost Limited as responsible entity of

# MONTGOMERY GLOBAL FUND

ARSN 604 883 418 | APIR FHT0036AU

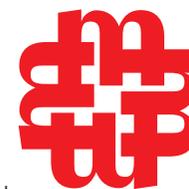
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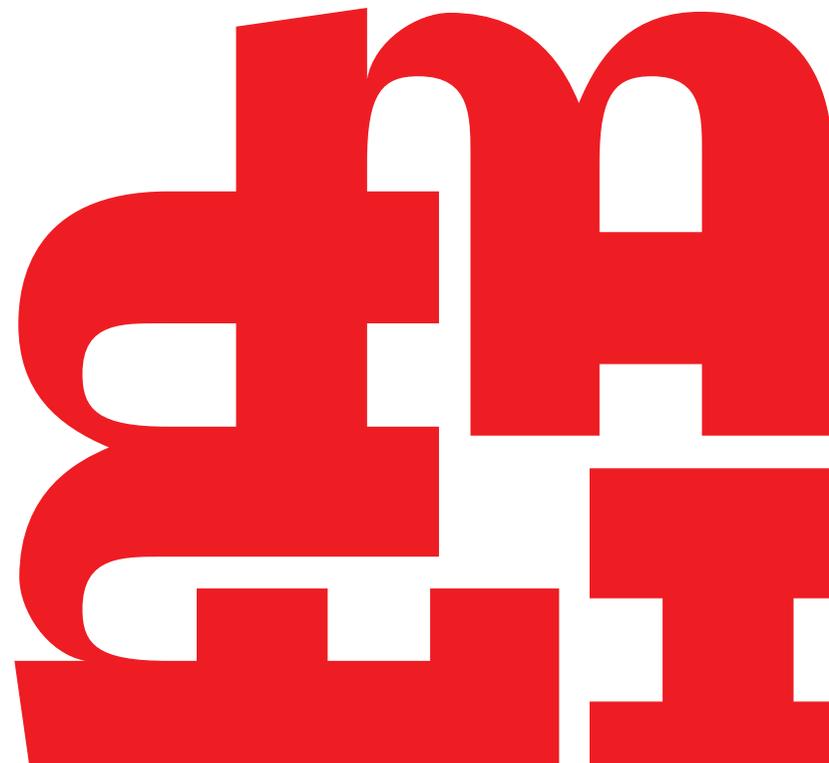
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# MONTGOMERY



Montgomery Global Investment Management Pty Limited ABN 62 604 878 533  
Corporate Authorised Representative (CAR) of Montgomery Investment Management Pty Ltd  
ABN 73 139 161 701 | CAR # 001007050 of AFSL 354 564



## About this Information Booklet

The information in this Information Booklet forms part of the Product Disclosure Statement (PDS) issued by Fundhost Ltd (Fundhost, we or us) as responsible entity of the Montgomery Global Fund, ARSN 604 883 418 (The Fund) and dated 22 June 2015.

Defined terms used in the PDS have the same meaning in this Information Booklet unless stated otherwise.

We recommend that you keep a copy of the PDS for The Fund and this Information Booklet handy for future reference.

The Information contained in the PDS and this Information Booklet is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should read this Information Booklet together with the PDS (in their entirety) before making a decision to invest in The Fund. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances before proceeding to acquire or dispose of units in The Fund.

You can access the PDS and this Information Booklet on our website at [www.fundhost.com.au/investor/mgf](http://www.fundhost.com.au/investor/mgf). Fundhost will provide you, free of charge, a paper copy of the PDS and this Information Booklet upon request when you contact us on +61 (0)2 8223 5400.

Montgomery Global Investment Management Pty Ltd ABN 62 604 878 533 (Montgomery Global), Montgomery Investment Management Pty Ltd ABN 73 139 161 701, Magellan Financial Group Limited (MFG) ABN 59 108 437 592 and National Australia Bank Limited ABN 12 004 044 937 (NAB) have each given, and as at the date of this Information Booklet have not withdrawn, their consent to inclusion in the PDS and this Information Booklet of the statements concerning each of them in the form and context in which they are included.

NAB's role as custodian is limited to holding the assets of The Fund as Fundhost's agent. NAB has no supervisory role in relation to the operation of The Fund and is not responsible for protecting your interests.

NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. NAB makes no statement in the PDS or this Information Booklet and has not authorised or caused the issue of it.

Investments of The Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies (NAB Group). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of The Fund, or provide a guarantee or assurance in respect of the obligations of Fundhost or its related entities.

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# PART A

## HOW THE FUND WORKS

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### Investing and withdrawing

#### Investing

To invest in The Fund, use the application form accompanying the PDS. Additional investments can be made at any time in writing and will generally be processed daily.

Any distributions reinvested are reinvested at the ex-distribution mid-price. The ex-distribution mid-price is calculated by taking the value of the investments of The Fund and taking away the value of the liabilities as defined in The Fund's constitution including the provision for distribution. We make no adjustment for costs of buying or realising investments (called a buy-sell spread). We divide the result of this by the number of units we have on issue. These steps give us a per unit price used in connection with reinvestment of distributions.

#### Withdrawing

Units in The Fund are not listed on any stock exchange like the ASX.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw. This is called a redemption request.

We accept scanned or faxed redemption requests on the following conditions:

- o all instructions must be legible
- o instructions must bear your investor number and signature and
- o redemption proceeds will only be transferred to the financial institution account previously nominated on the application form.

To use this service you will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liabilities arising from us acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim

against us in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The amount of money you receive is determined by the unit price we calculate at the time of your redemption request. We can withhold from amounts we pay you any amount you owe us or we owe someone else relating to you (for example, the tax office).

We generally pay all redemption proceeds in cash, but we are permitted under the constitution for The Fund to pay proceeds in kind (i.e. in specie share transfer).

#### Payments can be delayed

In certain circumstances we may need to delay withdrawal of your money. We can delay withdrawal of your money for 21 days or such period as considered appropriate in our view in all the circumstances if:

- o there are not enough investments which we can easily turn into cash (the law dictates this). We don't anticipate The Fund would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit or
- o we receive a quantity of withdrawal requests representing more than 20 per cent of the value of the investments of The Fund. In this case we can stagger withdrawal payments.

In certain circumstances we can also delay withdrawal of your money in all the circumstances for so long as the relevant event continues. The constitution sets out the full range of circumstances in which we can delay withdrawal of your money and these include (among others) if:

- o something outside our control affects our ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash) or
- o a portion of The Fund's assets comprise illiquid assets (that is, assets not readily converted to cash). In this case Fundhost can redeem such number of units that correspond to the portion of The Fund's liquid assets (that is, assets readily converted to cash). For example, if an investor requests redemption of all of their units and The Fund's assets comprise 10% of illiquid assets, Fundhost may determine to redeem only 90% of the investor's units. Fundhost may redeem the remaining units at such future time, or at times over such period, as it determines or
- o an emergency or similar state of affairs occurs which, in our reasonable opinion, makes it impractical to redeem units or which might be prejudicial to the remaining investors or
- o there is a closure or material restriction on trading on the major global stock exchanges or realisation of the assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market or
- o we otherwise consider it is in the best interests of the investors to delay withdrawal of units.

### **We can give you back your invested money without you asking**

In certain circumstances we can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- o if you breach your obligations to us (for example, you provide misleading information in your unit application form)
- o to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to The Fund) by you
- o to satisfy any amount of money we (as responsible entity or in any other capacity relevant to The Fund) owe someone else relating to you (for example, to the tax office)
- o where we suspect that law prohibits you from legally being an investor or
- o such other circumstance as we determine in our absolute discretion (but we must always act in the best interests of investors as a whole when deciding to do this).

### **How we calculate unit prices**

We calculate unit prices in three steps:

1. we calculate the value of the investments of The Fund and take away the value of the liabilities as defined in The Fund's constitution
2. we divide this result by the number of units we have on issue to obtain the unit mid-price
3. we then make an adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments) called a buy-sell spread. The buy-sell spread does not represent a fee to Fundhost or Montgomery Global and is discussed in more detail in Part E "Additional explanation of fees and costs".

These steps give us a price per unit.

# PART B

## BENEFITS OF INVESTING IN THE FUND

### Benefits and features

#### Experience

Managed funds pool investors' money in one place, and the professionals who manage The Fund (being Montgomery Global) use their resources, experience and expertise to make the investment decisions.

Montgomery Global is a boutique investment manager investing in international companies. Montgomery Global is a CAR of Montgomery Investment Management Pty Ltd (ABN 73 139 161 701) and the investment manager of The Fund. Montgomery Global is controlled by Montgomery Investment Management Pty Ltd, which is owned by its founder and staff and MFG is a minority shareholder. The senior executives of Montgomery Global control the remainder of Montgomery Global's shareholding.

Roger Montgomery is Chief Investment Officer of Montgomery Global. Roger has over 20 years experience in funds management and related activities, including equities analysis, equity and derivatives strategy, trading and stockbroking. Roger held the position of Chief Market Strategist with Ord Minnett Jardine Fleming, which followed positions with BT (Australia) Limited and Merrill Lynch.

Roger founded Montgomery Investment Management in 2010, and at the date of this Information Booklet, The Montgomery [Private] Fund, which was launched in December 2010, and The Montgomery Fund, which was launched in August 2012, had combined funds under management of \$700 million.

Prior to establishing Montgomery Global and Montgomery Investment Management, Roger founded the funds management group, Clime Asset Management Ltd in 2000. In 2010, Roger published his first book, entitled Value.able: How To Value The Best Stocks and Buy Them For Less Than They're Worth, which went on to become a best seller.

The Montgomery Global investment team members have extensive international investment experience having worked at highly regarded and well recognized fund managers in the United States.

Andrew Macken is the Lead Portfolio Manager for The Fund and a significant shareholder in Montgomery Global. Andrew joined Montgomery Investment Management in March 2014 after spending nearly four years at Kynikos Associates LP in New York as a senior member of the research team. Prior to this, Andrew was a management consultant at Port Jackson Partners Limited in Sydney for nearly four years, focusing on strategy for clients in Australia and abroad.

Andrew holds a Master of Business Administration (Dean's List) from the Columbia Business School in New York. Andrew was a member of the elite Applied Value Investing program, the basis of which stems from the teachings of Benjamin Graham and David Dodd at the Columbia Business School in the 1920s. Andrew also holds a Master of Commerce and a Bachelor of Engineering with First Class Honours from the University of New South Wales, Sydney, under the Co-Op scholarship program.

Christopher Demasi is a Co-Portfolio Manager of The Fund and a significant shareholder in Montgomery Global. Christopher has over ten years of experience in investment analysis. Christopher joined Montgomery Investment Management in January 2015 after spending more than four years at LFG, the private investment group of the Lowy family, where he was most recently a senior member of the research team based in New York. Prior to this Christopher worked as a research analyst at One East Partners, a hedge fund based in New York, and as an investment banker at Goldman Sachs in Sydney.

Christopher holds a Bachelor of Commerce with Distinction, majoring in Actuarial Studies and Finance, from the University of New South Wales, Sydney, under the Co-Op scholarship program.

### Risk management

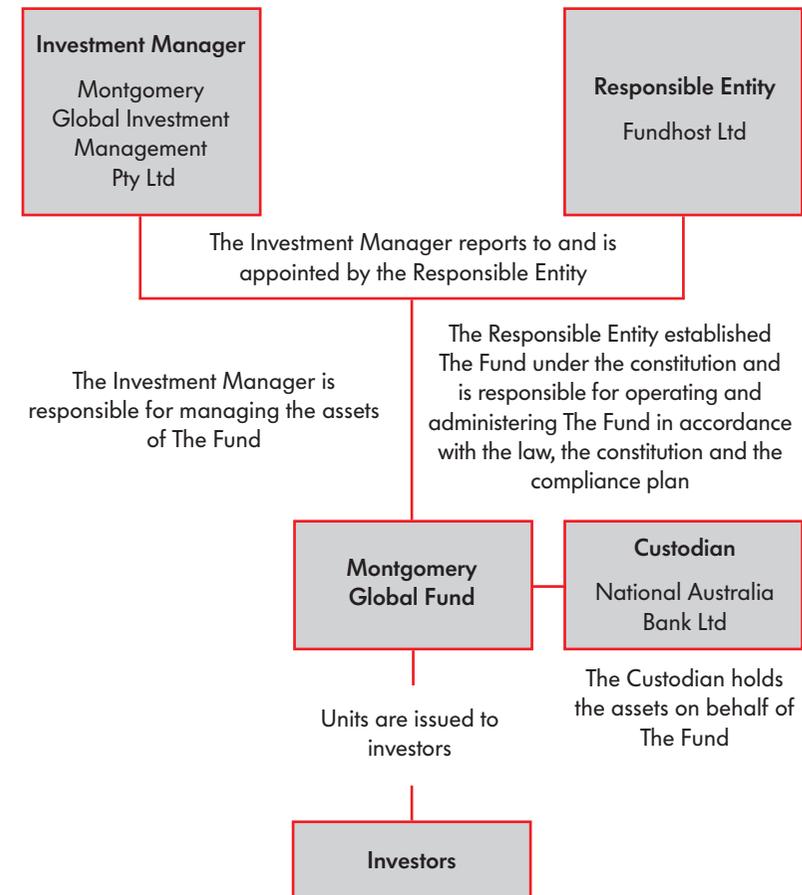
Depending on the type of investments a fund chooses to focus on, your decision to invest in one or perhaps more managed funds can be a good way to help better manage the impact of risk on your investments. Spreading risk often reduces the highs and lows of investment performance and helps reduce the impact on you of one or more types of investments performing poorly.

### Corporate governance

Under the Australian Corporations Act and The Fund documents, investors are provided with several layers of independent oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated and administered by a responsible entity (Fundhost) that holds an appropriate AFSL. Fundhost has appointed NAB as the independent custodian to hold the assets of The Fund. Fundhost has appointed Montgomery Global as the investment manager of The Fund.

The following diagram summarises the management and governance structure of The Fund.



# PART B

## BENEFITS OF INVESTING IN THE FUND

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### Clear legal rights

The constitution establishes The Fund and sets out the rules. Together with the PDS and the law from time to time, it governs your relationship with Fundhost and provides you with your (and our) legal rights.

The constitution gives Fundhost rights to be paid fees and expenses and to be indemnified from The Fund. It governs (amongst other things) Fundhost's powers, (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if The Fund terminates.

The constitution limits Fundhost's need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act imposes, Fundhost is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to The Fund.

The constitution also contains a provision that it alone is the source of the relationship between you and Fundhost and not any other laws (except, of course, those laws that cannot be excluded).

Fundhost must have investor approval to make changes to the constitution that are adverse to the rights of investors.

You can obtain a free copy of The Fund's constitution by calling Fundhost.

# PART C

## RISKS OF MANAGED INVESTMENT SCHEMES

### Risks in general

#### About risk and return

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses).

Investment returns are affected by many factors including market volatility, interest rates and economic cycles. Changes in value can be significant and they can happen quickly.

Different types of investments perform differently at different times and have different risk characteristics and volatility.

These are some of the reasons why you should consider investing in several different types of investments (often called diversification).

The significant risks associated with investing in this Fund are discussed in the PDS. We cannot eliminate all risks and cannot promise that the ways they are managed will always be successful. However, Montgomery Global's process is an important step in managing many of these risks.

The performance of The Fund will be influenced by many factors, some of which are outside the control of Fundhost and Montgomery Global.

If these risks materialise, your distributions may be lower than expected or there may be none. The value of your investment could fall and you could lose money.

#### Ways to manage your risk

You can help manage your own risks too. You can:

- o know your investment goals and your risk tolerance
- o understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- o diversify your investments (that is, don't invest all your monies in The Fund)
- o invest for at least the recommended timeframe
- o keep track of your investment and
- o speak with a financial adviser and make sure The Fund is the right investment for you.

# PART D

## HOW WE INVEST YOUR MONEY

### The investment process

The Fund invests principally in companies listed on major global stock exchanges. The Fund seeks to generate capital growth, income and to outperform the MSCI World Net Total Return Index in Australian Dollars over the medium to long term, net of fees. As much as it is achievable in equity markets, another objective of The Fund is the preservation of capital.

Unlike funds typically managed by much larger institutions, a relatively meaningful proportion of The Fund's portfolio can be allocated to cash to satisfy this objective.

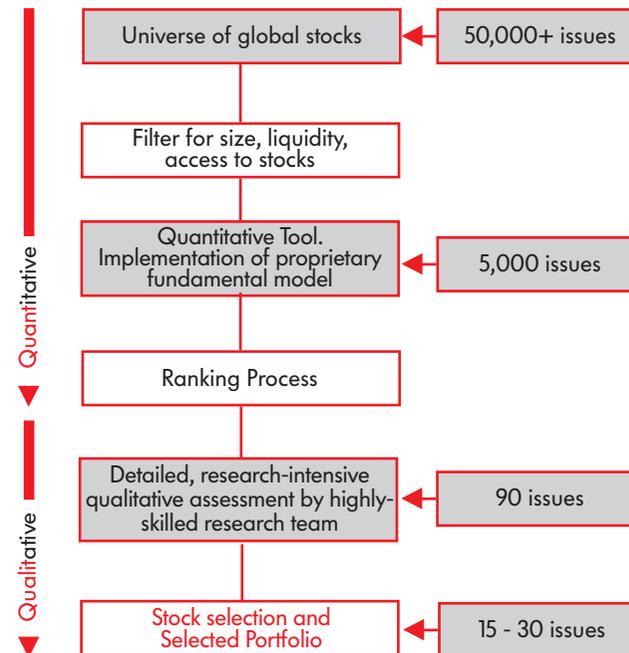
Montgomery Global is a value investor dispassionately applying a highly disciplined and fact-based investment process. The Fund is focused on investing in what Montgomery Global regards as high quality businesses with attractive prospects at a discount to their estimated intrinsic value.

Market timing, forecasting or predicting share prices does not form part of the investment process.

The following diagram illustrates the investment process of The Fund.

The investment universe of globally listed stocks is initially filtered for size, liquidity and access constraints. The remaining set of globally listed stocks is analysed by The Fund's quantitative tool, which implements a proprietary fundamental model that has been developed over a number of years. The tool arranges the universe of stocks into an order, from best to worst, based on the proprietary fundamental model. This serves as an extremely useful tool to help allocate research team resources as efficiently as possible.

### MONTGOMERY GLOBAL FUND INVESTMENT PROCESS



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The Fund's highly skilled research team will then spend considerable time researching and analysing the candidates that are deemed to have the highest potential for outsized returns with limited downside. There are many dimensions to this qualitative assessment of each individual stock, including: competitive assessment, business model dissection, detailed financial statement and accounting analysis, industry analysis, peer group comparison, valuation analysis, external feedback - including management team meetings, and risk assessments.

Successful candidates will be characterised by high business quality, with attractive prospects, trading at a price that is deemed to be below Montgomery Global's assessment of intrinsic value. Montgomery Global seeks to invest with a significant "margin of safety" ensuring the risk of permanent capital impairment is minimised.

The Fund is expected to typically hold 15 to 30 individual company names. If an insufficient number of individual company names are appealing, Montgomery Global may consider the overall market 'expensive' and in an effort to preserve the market value of the portfolio, may allow the cash component of the portfolio to build.

Cash may represent as much as 30 per cent of The Fund but this limit can be exceeded during the start up phase of The Fund, or periods of high cash inflows or during periods when the Montgomery Global investible universe is unappealing in terms of margin of safety or in anticipation of extreme market dislocation.

Montgomery Global may also contemplate protecting the market value of The Fund by, for example, buying options over selected major stock market indices.

While The Fund seeks to retain holdings for the long term, individual holdings may be sold, for example, when their share prices experience excessive or unjustified exuberance, where the company no longer meets its investment criteria or a deterioration in a company's prospects is expected, or where better opportunities become available.

# PART E

## FEES AND COSTS

### Prescribed information about fees and costs

#### Fee table

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money or from the returns on your investment or from The Fund's assets 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.

Please note the fees and costs in the table below are not in addition to the fees and costs set out in Section 6 "Fees and costs" of the PDS. The table is simply a more detailed explanation of the fees and costs, and how and when they are paid, in a format prescribed by law.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND*</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>MANAGEMENT COSTS</b> The fees and costs for managing your investment		
<b>Management fee</b>	1.25% pa of the net assets of The Fund  For a worked dollar example, please see Part E "Additional explanation of fees and costs"	Calculated daily and paid monthly in arrears from the net assets of The Fund. Part of this fee is paid to Montgomery Global  The amount of the management fee may be negotiated with very large wholesale clients only - see "Additional explanation of fees and costs" for more information
<b>Recoverable expenses</b>	Up to 0.04% pa of the net assets of The Fund (ordinary expenses only)  For a worked dollar example, please see "Additional explanation of costs"	Paid when incurred from the net assets of The Fund  Abnormal expenses are not capped - see Part E "Additional explanation of fees and costs" for more information  This fee cannot be negotiated

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Performance fee</b>	15.38% of the amount by which The Fund outperforms its benchmark (being the MSCI World Net Total Return Index, in Australian Dollars) and achieves positive performance  For a worked dollar example, please see Part E "Additional explanation of fees and costs"	Calculated daily and paid in respect of each 6 monthly period ending 30 June or 31 December.  This fee is not negotiable  See Part E "Additional explanation of fees and costs" for more information
<b>SERVICE FEES**</b>		
<b>Switching fee</b> The fee for changing investment options	Not applicable	Not applicable

\*Buy-sell spreads apply when you invest in The Fund and when you redeem money from The Fund. See "Additional explanation of fees of costs" for more information.

\*\*For information on special request fees, please see the section "Additional explanation of fees and costs".

## Additional explanation of fees and costs

### Additional service fees

If you ask us to do something special for you, we may charge you a fee. These special fees vary depending on what you ask us to do. Currently, our fees are \$50 for funds to be transmitted via a telegraphic transfer.

### Recoverable expenses

The ordinary expenses for The Fund are capped at 0.04% per annum of the net assets of The Fund. These are the ordinary and every day expenses incurred in operating The Fund and are deducted from the assets of The Fund as and when they are incurred.

The constitution of The Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of The Fund are payable or reimbursable out of the assets of The Fund and are unlimited. While ordinary and every day expenses are capped, we reserve the right to recover abnormal expenses. Abnormal expenses are expected to incur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to The Fund and termination and wind up costs.

### Performance fee

A performance fee is payable to Montgomery Global in respect of each period ending 30 June or 31 December when the investment performance of The Fund, after management fees and expenses have been deducted, has exceeded the benchmark, being the performance of the MSCI World Net Total Return Index in Australian Dollars and achieved positive performance.

The performance fee is 15.38% of the total return of The Fund after management fees and expenses have been deducted, that is in excess of the benchmark, calculated daily and paid semi-annually in arrears.

When the total return of The Fund is less than the corresponding return of the benchmark, no performance fee is payable. Also, no performance fee is payable until any previous periods of underperformance have been made up.

# PART E

## FEES AND COSTS

When the absolute return of The Fund is negative but The Fund has performed better than the benchmark, the relative outperformance of The Fund in percentage terms is carried forward to ensuing period(s).

The table gives an example of how the fees and costs for The Fund can affect your investment over a 1 year period. You should use this table to compare The Fund with other managed investment products.

EXAMPLE (WHERE NO PERFORMANCE FEE IS PAYABLE)	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
<b>Contribution fee</b> The fee to open your investment	0%	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>PLUS Management costs</b>	1.29% per annum of net assets	And, for every \$50,000 you have in The Fund you will be charged <b>\$645</b> each year  (This comprises the management fee of <b>\$625</b> , ordinary expense recoveries capped at <b>\$20</b> and estimated performance fee of <b>\$0</b> )
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of <b>\$645*</b>  What it costs you will depend on the fees you negotiate

\*The Corporations Act requires that when calculating management costs in this table, we must not include contributions made during the year or allow for any positive performance that may occur (e.g. we must assume that the value of your investment remains at \$50,000 and The Fund's unit price does not fluctuate). Please be aware that management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions) during any 12 month period.

The example assumes no abnormal expenses are incurred and the full 0.04% in ordinary expenses is incurred, no additional service fees are incurred by you, fees are not individually negotiated with us and no performance fee is payable. Because The Fund is new and has no performance history, we cannot accurately estimate what performance fee might be payable. The actual performance fee and therefore the total management costs will depend on negotiation and the performance of Montgomery Global and may vary from the example.

The table below gives an example of how the fees and costs for this Fund, including the performance fee charged by Fundhost and payable to Montgomery Global, can affect your investment over a 1 year period when a performance fee becomes payable. You should use this table to compare this Fund with other managed investment products.

EXAMPLE (WHERE A PERFORMANCE FEE IS PAYABLE)	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
<b>Contribution fees</b>	Nil	For every additional \$5,000 you put in, you will be charged up to <b>\$0</b>
<b>PLUS Management costs</b>	1.29% per annum of net assets and a performance fee of 15.38% of the amount by which The Fund outperforms its benchmark (being the MSCI World Net Total Return Index, in Australian Dollars)	<b>And</b> , for every \$50,000 you have in The Fund you will be charged <b>\$953*</b> each year  (This amount comprises the management fee of <b>\$625</b> , ordinary expense recoveries capped at <b>\$20</b> and estimated performance fee of <b>\$308</b> )
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of <b>\$953*</b>  What it costs you will also depend on the fees you negotiate

\*The Corporations Act requires that when calculating management costs in this table, we must not include contributions made during the year or allow for any positive performance that may occur (e.g. we must assume that the value of your investment remains at \$50,000 and The Fund's unit price does not fluctuate). Please be aware that management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions) during any 12 month period.

The example assumes no abnormal expenses are incurred and the full 0.04% in ordinary expenses is incurred, no additional service fees are incurred by you and fees are not individually negotiated with us.

The example further assumes The Fund's performance over the 12 month period was 12%, the benchmark was 8% and no prior periods of underperformance are required to be caught up (therefore the criteria to be paid a performance fee has been met). The performance fee example is not representative of likely future performance. The actual performance fee and therefore the total management costs will depend on the performance of Montgomery Global and may vary from the example shown.

# PART E

## FEES AND COSTS

### **Adviser remuneration**

No commissions will be paid by us to financial advisers.

You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in The Fund and is not an amount paid out of the assets of The Fund. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees and they will not be paid by us. We recommend that you check with your adviser if you will be charged a fee for the provision of their advice.

We maintain an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may, subject to law, pay to or receive from licensees, fund managers or representatives (if any is paid or received at all in relation to The Fund).

### **Can fees be different for different investors?**

The law allows us to negotiate fees with “wholesale” investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. We generally don't negotiate fees. However, we may negotiate management fees with very large wholesale clients only. The terms of these arrangements are at our discretion.

### **What are the costs of investing and withdrawing from The Fund?**

When you invest in The Fund, Montgomery Global will buy investments, and this costs money (for example, to buy shares, costs are incurred in paying a stockbroker and the custodian of The Fund).

When you withdraw, Montgomery Global will sell investments so we can pay your cash to you, and this costs money too.

We call this a buy-sell spread.

A buy-sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the issue/withdrawal of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/withdrawing units from The Fund. The buy-sell spread is reflected in the issue/withdrawal price.

Currently, our buy-sell spread is estimated to be 0.50% of the unit price (that is +0.25% on the entry price and -0.25% on the exit price). So if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.25% (up 0.25 cents) and on exit we adjust the unit price down approximately 0.25% (down 0.25 cents). We are not paid any of this money.

Because the spread is reflected in the issue/withdrawal price, you won't see transaction costs such as the buy-sell spread on any account statement we send you.

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices, including all transaction costs and the buy-sell spread. We call this our unit pricing policy. We keep records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

### **Can the fees change?**

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. The constitution for The Fund sets the maximum amount we can charge for all fees. If we wished to raise fees or performance fees above the amounts allowed for in The Fund's constitution, we would need the approval of investors.

We will give you (or your IDPS operator) 30 days' written notice of any proposed increase to these fees. We may accept lower fees than those disclosed in the fee table in this section.

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### **Government charges and taxation**

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined above take into account any reduced input tax credits which may be available.

### **Annual statement**

The annual statement will record the ongoing management costs for the period and this amount will appear in your statement labelled "Other Management Costs". This is for information purposes and is not an additional fee. It does not affect your unit entitlement or unit value.

# PART F

## HOW MANAGED INVESTMENT SCHEMES ARE TAXED

# PART G

## HOW TO APPLY

### Paying tax

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So it is important that you seek professional advice before you invest or deal with your investment.

We will send you the information you need each year to help you to complete your tax return.

We will distribute income and capital gains, if any, shortly after 30 June each year. Distributions could comprise:

- o income (like dividends and interest)
- o net taxable capital gains (from the sale of The Fund's investments) and
- o tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer units.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

If you choose not to provide us with your Tax File Number (TFN) or Australian business number (ABN) and don't have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

### Enquiries and complaints

Financial Ombudsman Service (FOS) is an external dispute resolution body that has been approved by ASIC. FOS is an independent body that assists Australian customers in the resolution of complaints relating to members of the financial services industry. FOS' contact details can be found in Section 8 "How to apply" in the PDS.

FOS can consider claims of up to \$500,000 (or higher if you and we otherwise agree in writing). FOS is only able to make a determination of up to \$280,000 per managed investment claim (excluding compensation for costs and interest payments). These monetary limits and the FOS terms of reference do change from time to time. Current details can be obtained from the FOS website [www.fos.org.au](http://www.fos.org.au).

### Privacy

We collect and use personal information about you to administer your investment and also to conduct research.

By applying for units in The Fund you consent and agree to information about you being obtained and used by us. Fundhost will collect and use your information in accordance with our Privacy Policy, a copy of which is available free of charge.

If you fail to provide us with the required information or if you provide us with incomplete or inaccurate information Fundhost may not be able to provide you with the products or services you are seeking within the time periods contemplated in the PDS.

Your information will not be disclosed unless:

- o the law requires
- o your financial adviser needs the information
- o it is in keeping with our Privacy Policy and may be provided to external service providers including The Fund's custodian, auditors, taxation and legal advisers and information technology consultants or
- o Fundhost needs to send you promotional material. If you don't want this, contact Fundhost anytime.

Fundhost will disclose information if required by law to do so (including under the AML CTF Act).

If you think any of the details that Fundhost holds are wrong or out of date contact Fundhost and we will correct the details. You can always access the personal information held about you by contacting Fundhost on +61 (0)2 8223 5400.

### Anti-money laundering

In order to meet our obligations under the AML CTF Act or taxation legislation, we may require further information from you as to identity, the source of your funds and similar matters.

Fundhost is required to verify that information by sighting appropriate documentation.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential.

By applying for units in The Fund, you also agree that Fundhost may in its absolute discretion determine not to issue units to you, may cancel units which have been issued to you or may redeem any units issued to you if Fundhost believes such action to be necessary or desirable in light of its obligations under the AML CTF Act or related legislation and Fundhost will not be liable to you for any resulting loss.

### Information for New Zealand investors

Units offered under the PDS and this Information Booklet (which forms part of the PDS) are offered to New Zealand as well as Australian investors.

#### New Zealand investors' warning statement

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.

# PART H

## MORE INFORMATION

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 available only in Australia and is not available in New Zealand.

The above statements are required pursuant to NZ Regulations. For the avoidance of any doubt, Fundhost will only remit distributions and redemptions in Australian dollars. If you credit NZ dollars to Fundhost's application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You can avoid these fees by only crediting Australian dollars.

### New Zealand disclosures relating to distribution reinvestment

Distributions from the The Fund may be reinvested.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in the offer document (comprised of the PDS and this Information Booklet which forms part of the PDS).

The allotment of units as part of a distribution described in the offer document is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted as part of a distribution reinvestment is set, we will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require us to issue, units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors of the same class as you.

There is available from us, on request and free of charge, a copy of:

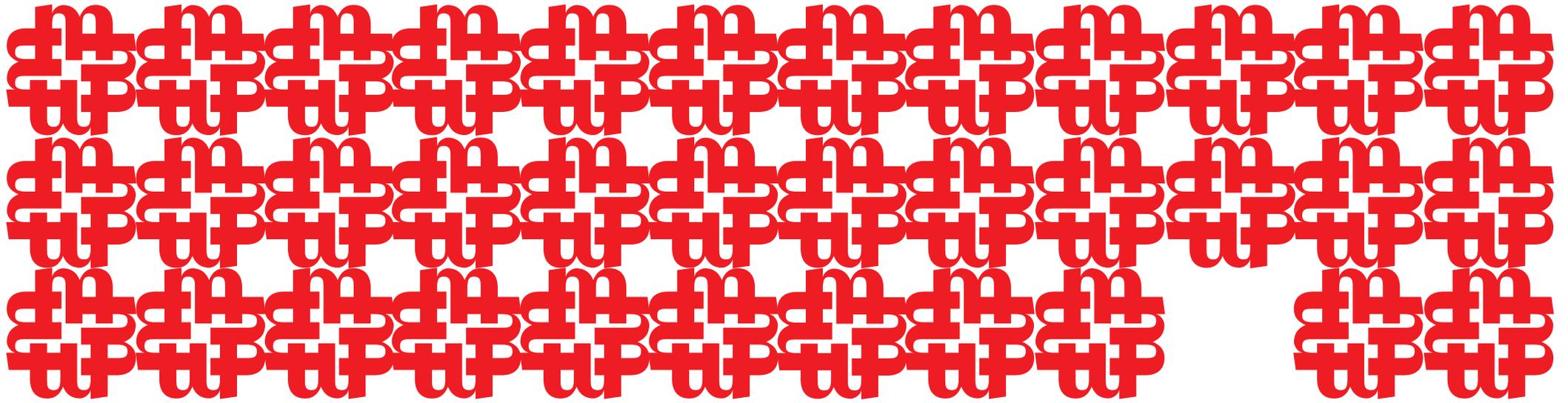
- the most recent annual report of The Fund (if any)
- the most recent financial statements of The Fund (if any) and, if those statements are not audited or reviewed by an auditor, a statement to that effect
- a copy of the auditor's report on those statements (if any)
- the current offer document (comprised of the PDS and this Information Booklet which forms part of the PDS)
- the constitution of The Fund and any amendments to it.

Copies may be obtained electronically at [www.fundhost.com.au/investor/mgf](http://www.fundhost.com.au/investor/mgf) or by emailing [admin@fundhost.com.au](mailto:admin@fundhost.com.au).

Within 30 days of the day on which the units in The Fund are allotted to you, you will be sent a statement of the amount of the distribution and the number of units that have been allotted to you.

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