

# FUNDHOST LIMITED

ABN 69 092 517 087 | Australian Financial Services Licence (AFSL) No. 233045



Ganes Capital Management Limited ABN 68 102 319 675 | AFSL 291 363

## INFORMATION BOOKLET

Dated 24 February 2020

The information in this document forms part of the Product Disclosure Statement dated 24 February 2020 and issued by Fundhost Limited as responsible entity of the

# GANES FOCUSED VALUE FUND

ARSN 117 119 712

### Responsible Entity

#### Fundhost Limited

PO Box N561  
Grosvenor Place  
NSW 1220  
Australia

+61 2 8223 5400 (T)

+61 2 9232 8600 (F)

[admin@fundhost.com.au](mailto:admin@fundhost.com.au)

[www.fundhost.com.au](http://www.fundhost.com.au)

### Investment Manager

#### Ganes Capital Management Limited

PO Box 3512  
Newmarket  
Qld 4051  
Australia

1300 766 916 (T)

[admin@ganescapital.com.au](mailto:admin@ganescapital.com.au)

[www.ganescapital.com.au](http://www.ganescapital.com.au)

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## About this Information Booklet

The information in this Information Booklet forms part of the Product Disclosure Statement (**PDS**) issued by Fundhost Limited (**Fundhost, we** or **us**) as responsible entity of Ganes Focused Value Fund, ARSN 117 119 712 (**the Fund**) and dated 24 February 2020.

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](http://www.fundhost.com.au) or at [www.ganescapital.com.au](http://www.ganescapital.com.au). 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.

Ganes Capital Management Limited ABN 68 102 319 675 (**Ganes**), 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

Both your application form and investment must be received by **4pm Friday**, Sydney time (unless Friday is a public holiday), to be processed using the unit price effective for that week (otherwise your application will be processed the next week).

Additional investments can be made at any time in writing and will generally be processed weekly. Applications and funds should be received by **4pm Friday** Sydney time.

You may also choose to have your distributions reinvested into the Fund. You can indicate your preference in the application form or by contacting Fundhost. If you do not indicate a preference, your distributions will be automatically reinvested.

#### WITHDRAWING

Units in the Fund are not listed on any stock exchange like the ASX, so you cannot sell your units through a stockbroker.

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.

Your signed redemption request must be received by **4pm Wednesday**, Sydney time in order to be processed using the unit price effective for that week (otherwise your redemption will be processed the next week).

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

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

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).

#### DELAYS

In certain circumstances we may need to delay withdrawal of your money. We can delay withdrawal of your money for 180 days or such period as considered appropriate in our view in all the circumstances if:

- 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
- we receive a quantity of redemption requests representing more than 20% of the value of the investments of the Fund. In this case we can stagger withdrawal payments.

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In certain circumstances we can also delay withdrawal of your money 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

- 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
- 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
- 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
- there is a closure or material restriction on trading on the ASX 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
- 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:

- if your account falls below the minimum investment amount
- if you breach your obligations to us (for example, you provide misleading information in your unit application form)
- to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to the Fund) by you
- 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)
- where we suspect that law prohibits you from legally being an investor or
- 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 Ganes and is discussed in more detail in "Additional explanation of fees and costs" in the PDS.

These steps give us a price per unit.

The Friday end of day market price is used for valuing the investments of the Fund (unless it is a public holiday).

# PART B

## BENEFITS OF INVESTING IN THE FUND

### Benefits and features

Investing in a managed investment scheme can offer a number of benefits including professional investment management – your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

#### RISK MANAGEMENT

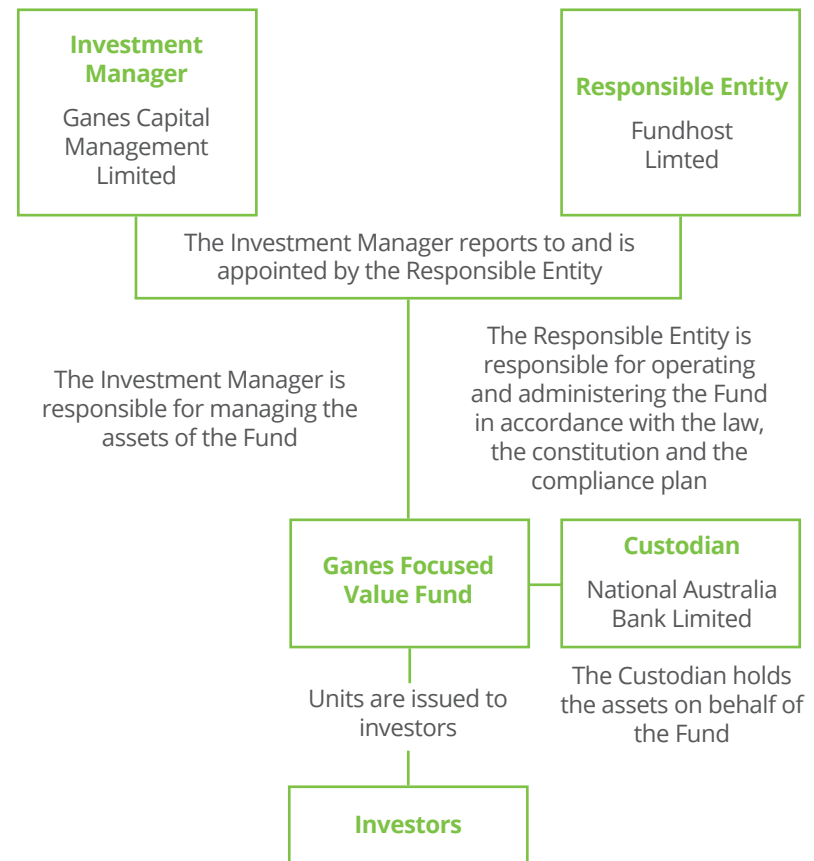
Depending on the type of investments a fund chooses to focus on, your decision to invest in one or perhaps more managed funds can be a good way to help better manage the impact of risk on your investments. Spreading risk often reduces the highs and lows of investment performance and helps reduce the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

#### CORPORATE GOVERNANCE

Under the *Corporations Act 2001* (Cth) (**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 Ganes as the investment manager of the Fund.

The following diagram summarises the management and governance structure of 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

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### 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.

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, the 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 Ganes.

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:

- know your investment goals and your risk tolerance
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- diversify your investments (that is, don't invest all your monies in the Fund)
- invest for at least the recommended timeframe
- keep track of your investment and
- 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

#### FUND PERFORMANCE AND OUTLOOK

Up to date information on Fund and stock performance and outlook is available from [www.fundhost.com.au](http://www.fundhost.com.au).

# PART E

## FEES AND COSTS

### Additional explanation of fees and costs

#### CAN FEES BE DIFFERENT FOR DIFFERENT INVESTORS?

In 2020 the Investment Manager reduced the Management Fee for all Fund investors and subsequently does not negotiate individually with investors.

#### WHAT ARE THE COSTS OF INVESTING AND WITHDRAWING FROM THE FUND?

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices. 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.

#### 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 the PDS, 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 in the PDS take into account GST and any reduced input tax credits which may be available.

# PART F

## HOW MANAGED INVESTMENT SCHEMES ARE TAXED

### 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:

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

Fundhost has elected to operate the Fund under the Attribution Managed Investment Trust (**AMIT**) regime, subject to eligibility. As an AMIT the Fund can attribute amounts of income and tax offsets to investors on a fair and reasonable basis. There is also an ability to adjust the cost base of an investor's interest in the Fund upwards or downwards.

# PART G

## MORE INFORMATION

### Investing through a master trust or wrap account?

If this is you, then remember that it is generally the operator of that service which becomes the investor in the Fund (not you). It follows that they have the rights of an investor and can exercise them (or not) in accordance with their agreements with you. This means, for example, that you generally cannot vote on units they hold in the Fund and you do not have cooling off rights in respect of any units they hold in the Fund. Speak with your master trust or wrap account operator to determine whether any cooling off rights are available to you through the service.

We are not responsible for the operation of any master trust or wrap account through which you invest. Indirect investors complete the application forms for the master trust or wrap account and receive reports from that operator, not from us. The minimum investment, balance and withdrawal amounts may be different. You should also take into account the additional fees and charges of the master trust or wrap account operator. You can however still rely on the information in this PDS. In addition to reading this PDS, you should read the document that explains the master trust or wrap account (called a "guide").

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via a master trust or wrap account) are able to access Fundhost's complaints procedures outlined in the PDS. For indirect investors, if your complaint concerns the operation of the master trust or wrap, you should contact the master trust or wrap account provider directly.

### 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.

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Your information will not be disclosed unless:

- the law requires
- your financial adviser needs the information
- it is in keeping with our Privacy Policy and may be provided to external service providers including the Fund's investment manager, custodian, auditors, taxation and legal advisers and information technology consultants or
- 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.

### **Disclosure of interests**

Directors and employees of Ganes and Fundhost may subscribe for units in the Fund. Wayne Jones and Ganes Capital Management Limited hold units in the Fund at the date of the PDS.

### **Unit pricing policy**

We may exercise certain discretions in determining the unit price of units on entry in and exit from the Fund. The unit pricing policy, which can be obtained by contacting us at Fundhost, sets out the types of discretions that we may exercise.

### **Foreign Account Tax Compliance Act (FACTA) and the Common Reporting Standard (CRS)**

The *Foreign Account Tax Compliance Act* ("FATCA") is a United States ("US") tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non-US investments or accounts. The *OECD Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS)* is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about you to the Australian Taxation Office (**ATO**). In order for Ganes to comply with its FATCA and CRS obligations, Ganes will request certain information from investors as set out in the application form. Please consult your tax advisor should you wish to understand the implications of FATCA and CRS on your particular circumstances.