

Notice of Meeting and Explanatory Memorandum

ALTIUS BOND FUND
ARSN 150 873 395

For a meeting of Members to be held virtually at
11:00am AEDT on 29 November 2021

Responsible Entity: Australian Unity Funds Management Limited ABN 60 071 497 115 AFSL No. 234454

Date: 5 November 2021

YOUR VOTE IS IMPORTANT

THIS IS AN IMPORTANT DOCUMENT AND YOUR VOTE IS IMPORTANT. WE ENCOURAGE YOU TO READ THIS DOCUMENT IN ITS ENTIRETY AND TO EXERCISE YOUR RIGHT TO VOTE EITHER BY ATTENDING THE VIRTUAL MEETING OR BY LODGING YOUR PROXY FORM.

PLEASE READ THE INFORMATION IN THIS DOCUMENT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT THE RESOLUTION OR THE ACTION TO BE TAKEN, THEN YOU SHOULD SEEK YOUR OWN PROFESSIONAL ADVICE WITHOUT DELAY.

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Important Notices

This document (other than the ASBF PDS) is issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFSL No. 234454 (**AUFM, we, us or our**), the responsible entity of the Altius Bond Fund ARSN 150 873 395 (**ABF or Fund**) and is dated 5 November 2021. This document provides the members of the Fund (**Members**) with information in relation to a proposed resolution to amend the constitution of the Fund dated 5 May 2011 (as amended) (**Constitution**) and the steps for implementing a proposal to merge the Fund with the Altius Sustainable Bond Fund ARSN 601 618 179 (**ASBF**). This proposal would be implemented by ASBF acquiring all of the Units on issue (except Units held by Foreign Investors) at a value equal to the Net Asset Value per Unit of the Fund, in exchange for issuing ASBF units to Members at a value equal to the Net Asset Value per unit of ASBF, both calculated and completed at the time the merger is implemented (**Proposal**). The Resolution, which if passed will give AUFM the power to implement the Proposal, will be considered at a meeting of Members at 11:00am AEDT on 29 November 2021 to be held by virtually through the use of electronic means (**Meeting**).

The Resolution is set out in the Notice of Meeting in this document.

This document is not intended to be financial product advice or tax advice. This document has been prepared without reference to your investment objectives, financial situation, tax position or particular needs. You should consider the appropriateness of this document to you having regard to your own objectives, financial situation or needs. You should consider the contents of this document carefully. Before deciding how to vote on the Resolution to be considered at the Meeting, you may also wish to obtain independent advice, particularly about individual matters such as taxation, retirement planning and investment risk tolerance.

AUFM recommends that Members should read this document in its entirety before deciding as to how to vote at the Meeting. If you have any questions in relation to the Notice of Meeting or the Explanatory Memorandum, then please contact Investor Services on 1300 997 774. You can also email us at australianunitywealth@unitregistry.com.au.

The Explanatory Memorandum in this document provides information about the objectives of the Proposal, the benefits and risks to the Members in relation to the Proposal and information about ASBF. The Explanatory Memorandum is accompanied by a primary [Product Disclosure Statement](#), and an [Additional Information Document](#) which forms part of the Product Disclosure Statement for ASBF (together, the **ASBF PDS**). The ASBF PDS has been prepared and issued by AUFM as the responsible entity of ASBF and in this capacity AUFM consents to the inclusion of the ASBF PDS in this document to give information to Members about ASBF including information about the ASBF's investment strategy, the rights and obligations attaching to units in ASBF and the benefits and risks of investing in ASBF.

Definitions of certain terms used in this document appear at Section 3 of the Notice of Meeting in this document.

If the Resolution is passed, then it will be binding on every Member (whether or not the Member voted, and whether or not the Member voted in favour of or against the resolution set out in the Notice of Meeting, and whether or not the Member was present at the Meeting).

Accompanying the Explanatory Memorandum are:

- a Proxy Form; and
- the ASBF PDS.

Forward looking statements

Certain statements in this document relate to the future. The forward looking statements in this document are not based on historical facts, but rather reflect the current expectations of AUFM concerning future results and events. These statements generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words and phrases. Similarly, statements that describe AUFM's objectives, plans, goals or expectations are or may be forward looking statements.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding present and future operating strategies and the environment in which the Fund will operate in the future.

The risks described in this document could affect future results of the Fund, causing these results to differ materially from those expressed, implied or projected in any forward looking statements. These factors are by no means all of the important factors that could cause actual results to differ materially from those expressed in any forward looking statement. Other unknown factors could also have a material adverse effect on future results of the Fund.

Forward looking statements should, therefore, be construed in light of such risks and undue reliance should not be placed on forward looking statements. It is prudent to place no undue reliance on those statements and, if necessary, to consult a professional advisor with respect to those statements prior to making any decision in relation to the Resolution.

The Members should note that the historical financial performances of the Fund and ASBF are no assurance or indicator of future financial performance of the Fund and ASBF. AUFM does not guarantee any particular rate of return or the performance of, nor do they guarantee the repayment of capital or any particular tax treatment in respect of any investment in, the Fund and ASBF.

All subsequent written and oral forward looking statements attributable to AUFM or any person acting on their behalf are qualified by this cautionary statement. Other than as required by law, neither AUFM nor any of its directors nor any other person gives any representation, assurance, warranty (whether express or implied) or guarantee that the accuracy, likelihood or occurrence of the events or results expressed or implied in any forward looking statements in this document will actually occur.

The forward looking statements in this document reflect views held only at the date of this document. Subject to any continuing obligations under the Corporations Act, AUFM and its respective directors disclaim any obligation or undertaking to distribute after the

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date of this document any updates or revisions to any forward looking statements to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based. If AUFM determines to update or supplement this document, then it will do so in accordance with its applicable obligations at law.

Historical statements

The historical information about the Fund in the Explanatory Memorandum includes, or is based on, information that has previously been made available to Members, and should be read in conjunction with the Product Disclosure Statement and continuous disclosure notices given or made available in respect of the Fund. In assessing any historical information about the Fund, you should be aware that any past performance is no indication of the future performance of the Fund.

Disclaimer

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness or any information, opinion or conclusion set out in this document. To the maximum extent permitted by law, neither AUFM nor any of its directors, officers, employees, agents or advisers accepts any liability for any loss arising from the use of this document or its contents or otherwise arising in connection with it.

No ASIC lodgement

This document has not been lodged with, and is not required to be lodged with, ASIC. ASIC takes no responsibility for the content of this document and had not authorised its issue. The Responsible Entity has not obtained, and is not required to obtain, any exemptions from or modifications to the Corporations Act in relation to the Resolution or the Proposal.

Confidentiality

The information contained in this document is issued by AUFM in its capacity as responsible entity of the Fund and on the terms of the Constitution. The information contained in this document is confidential and commercially sensitive and is provided for the exclusive use of the Members and may not be reproduced or distributed (except to a Member's professional advisers, who must be informed of its confidentiality). By receiving this document, each Member agrees to be bound by and observe these confidentiality restrictions.

Times and dates

All times and dates stated in the Notice of Meeting are references to those times and dates as they occur in Melbourne, Victoria. This document is dated 5 November 2021.

Currency and financial data

All references to currency in this document are to Australian dollars unless the context otherwise requires.

Rounding of the figures provided in this document may result in some discrepancies between the sum components and the total amounts set out in this document.

Any fees and charges set out in this document are shown GST inclusive less any input tax credits that may be claimed unless stated otherwise.

COVID-19 Safe Meeting Requirements and any other updates

Please be aware that circumstances related to the COVID-19 pandemic or for other reasons may result in the need for AUFM to change the arrangements detailed in this document relating to the Meeting or the Proposal. Any updates to information in this document will be provided at www.australianunity.com.au/abf.

What should you do?

Step 1: Read the Notice of Meeting and the Explanatory Memorandum.

Step 2: If you have any questions about this document or the Meeting, then please contact Investor Services on 1300 997 774. You can also email us at australianunitywealth@unitregistry.com.au.

Step 3: Vote on the Resolution by either:

Attending the virtual Meeting at 11:00am AEDT on 29 November 2021 by visiting www.eventbrite.com/e/abf-virtual-unitholder-meeting-tickets-199515214377 on your computer or laptop and:

1. Register your first name, last name and email address.
2. You will receive a confirmation email from Eventbrite with a link to join the Meeting (to be held on Microsoft Teams Live Events).

If you are having difficulty accessing Microsoft Teams, please contact EPetrieRuhl@australianunity.com.au.

If you have been nominated as a third-party proxy, please contact Boardroom on 1300 737 760.

Members can participate in the Meeting by being able to view the Meeting, vote and ask questions or make comments in real time.

or

(a) Completing and returning the enclosed proxy form by fax, mail or email or completing it online (as specified below), so that it is received by no later than 11:00am AEDT on 27 November 2021.

Mail:	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
Fax	+ 61 2 9290 9655
Email:	proxy@boardroomlimited.com.au
Online	www.votingonline.com.au/abfgm2021

If you do not wish to vote on the Resolution, then no action is required.

If you have sold your Units prior to 3.00pm on 26 November 2021, please disregard this document.

Letter from the Chairman

5 November 2021

Dear Member,

It is my pleasure to provide you with the Notice of Meeting and Explanatory Memorandum for the upcoming Meeting to vote on the proposal to merge the Fund with the Altius Sustainable Bond Fund (**ASBF**). This would be implemented by ASBF acquiring all of the Units on issue (except Units held by Foreign Investors) at a value equal to the Net Asset Value per Unit of the Fund, in exchange for issuing ASBF units to Members at a value equal to the Net Asset Value per unit of ASBF, both calculated and completed at the time the merger is implemented (**Proposal**).

The Fund has been operating successfully for the last 10 years, providing investors with an active and diversified fixed income strategy designed to optimise returns in all market conditions. We regularly review our suite of products to ensure they deliver value for investors and represent the best of our investment capabilities. As a result, we are enabling the Fund to merge with ASBF because:

- The Fund and ASBF (collectively the 'funds') are both absolute return style fixed income funds that aim to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment;
- The funds are managed by the same team, Altius Asset Management (**Altius**), and have a common interest rate and credit risk management strategy;
- Altius manages the portfolio of the Fund and ASBF in the same way, other than the additional sustainability overlay for ASBF – which is a more contemporary product feature available to Members as part of the Proposal;
- Members will benefit from a lower fee structure in ASBF; and
- The funds have broadly performed in line with each other since the establishment of ASBF in 2014.

For the Proposal to proceed, Members in the Fund must approve the Resolution to change the Fund's Constitution as set out in the Notice of Meeting and Explanatory Memorandum. If the Resolution is approved, all Members will be exiting their investment in the Fund and receiving units in ASBF when the Proposal is implemented. The exchange of Units will be fair and equitable to Members as the Exchange Ratio for transferring an ABF unit in exchange for an ASBF unit will be based on the Net Asset Value per unit of each of ABF and ASBF on the Implementation Date calculated on an arm's length basis. This is set out in more detail in Sections 2.6.2 and 2.6.3 of the Explanatory Memorandum.

Just prior to implementing the Proposal, we will pay a Pre-Merger Distribution that will cover the period from 1 October 2021 to the day before the Proposal takes effect (see Section 2.6.1 of the Explanatory Memorandum).

Once the Proposal has been implemented, the Fund's assets will be transferred to ASBF and the Fund will be terminated to realise efficiencies. The termination costs for audit and other expenses have already been accrued into the Fund's unit price. This has reduced the value of a Member's holding in the Fund by approximately 0.02%.

There are other disadvantages and risks to consider with the Proposal which are set out in more detail in Section 2.4 of the Explanatory Memorandum.

The AUFM Board recommends that Members vote in favour of the Resolution.

If you are not in favour of the Proposal, the Fund will continue to be open for daily redemptions until 6 December 2021, after which you will be issued with units in ASBF if the Resolution is passed by Members.

Please read the attached Notice of Meeting and the Explanatory Memorandum carefully.

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Please note that your response is important. You are encouraged to vote on the Resolution by sending in your proxy form if you are unable to attend.

If you have any questions or wish to attend the Meeting, then please feel free to contact our Investor Services on 1300 997 774. You can also email us at australianunitywealth@unitregistry.com.au

We appreciate your support and investment in the Fund.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Mead', written in a cursive style.

Rohan Mead
Chairman

Australian Unity Funds Management Limited
Responsible Entity of the Altius Bond Fund

1. NOTICE OF MEETING

1.1. Notice of Meeting

AUFM, as responsible entity of the Altius Bond Fund ARSN 150 873 395 (**Fund**), gives notice pursuant to section 252A of the Corporations Act that a meeting of members of the Fund will be held on:

Time: 11:00am AEDT

Date: 29 November 2021

Manner of participation: In the interests of the health and safety of Members and the broader community, the meeting of Members will be held virtually www.eventbrite.com/e/abf-virtual-unitholder-meeting-tickets-199515214377. Members will not be able to attend the Meeting in person.

This Notice of Meeting is dated 5 November 2021.

1.2. Business

The business of the meeting is to consider and, if thought fit, to pass the following resolution as a special resolution:

'That

- (a) *the constitution of the Altius Bond Fund ARSN 150 873 395 be modified in accordance with the provisions of the supplemental deed accompanying this notice of meeting, tabled at the meeting and signed by the Chairperson of the meeting;*
- (b) *Australian Unity Funds Management Limited ABN 60 071 497 115 as the responsible entity of the Altius Bond Fund ARSN 150 873 395 (**Responsible Entity**) be authorised to execute the supplemental deed and lodge a copy of the supplemental deed with the Australian Securities and Investments Commission; and*
- (c) *each director or company secretary of the Responsible Entity be authorised to do all things which it reasonably considers necessary, incidental or desirable to give effect to the matters described in paragraphs (a) and (b) of this resolution.'*

Further details on the rationale and effect of the Resolution are set out in Section 2 below and in the accompanying Explanatory Memorandum.

The proposed amendments to the Constitution are set out in Annexure A to the Explanatory Memorandum.



Melinda Honig
Company Secretary
Australian Unity Funds Management Limited

2. Important information about the Meeting

2.1 Calling the Meeting and the effect of passing the Resolution

This Meeting has been called by AUFM under clause 18.1 of the Constitution and section 252A of the Corporations Act to consider and, if agreed, approve the Resolution.

2.2 Chairperson

In accordance with the law and the Constitution, AUFM has appointed Mr Rohan Mead, Chairman of AUFM, to chair the Meeting. If we are made aware before the time of the Meeting that Mr Mead cannot fulfil this role, AUFM will appoint another person to chair the Meeting.

2.3 Quorum and adjournment

Under the Constitution, to hold the meeting of Members, the number of Members required to be present in person or by proxy is at least 5 Members or 60% of the Members, whichever is lower.

If within 30 minutes from the start time for the Meeting that number of Members is not present, then the Meeting will be adjourned to another place and time that AUFM decides.

At the resumed Meeting, the Meeting can go ahead with only those Members present in person or by proxy.

2.4 Resolution voting requirements

The Resolution must be passed by at least 75% of the votes cast by Members who are entitled to vote on the Resolution. Votes may be cast as outlined in Section 2.10 below.

2.5 Voting exclusions

Under section 253E of the Corporations Act, AUFM and its associates are not entitled to vote their interest on the Resolution if they have an interest in the Resolution or matter other than as a member of the Fund. See Section 4.3 of the Explanatory Memorandum for more information.

2.6 Do I need to attend the Meeting virtually?

No. If you do not wish to attend the Meeting, then you can elect to have a proxy put in your vote for you. That could be someone you know, or you could elect for the Chairperson to be your proxy. To nominate a proxy, you will need to complete the proxy form included with this Notice of Meeting. Your proxy may attend the Meeting that will be held virtually.

As the Meeting will be held virtually, persons entitled to attend the Meeting will be given the opportunity to participate in the Meeting, including a reasonable opportunity to speak and ask questions at the Meeting using the electronic means by which the Meeting will be held.

2.7 Voting entitlements

Members on the register of Members of the Fund as at 11:00am (AEDT) on 29 November 2021 (being the commencement time of the Meeting) are entitled to attend and vote at the Meeting, either in person or by proxy, subject to the voting exclusions described above.

2.8 Calculation of voting rights

In accordance with section 253J of the Corporations Act, the Resolution put to vote at the Meeting must be decided on a poll.

On a poll, in accordance with section 253C of the Corporations Act, each Member has one vote for each dollar value of the total interests they have in the Fund. Section 253F of the Corporations Act requires that the value of the interest in the Fund is the amount that would be paid for the interest under that provision on the Business Day immediately before the day on which the poll is taken.

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The Responsible Entity will calculate the value of an interest in the Fund by reference to the Net Asset Value per Unit, and the total votes a Member has is the product of the Net Asset Value per Unit multiplied by the number of Units held by the Member.

You are not required to exercise all of your votes in the same way or cast all of your votes.

2.9 Joint Members

If your interest in the Fund is held jointly and more than one Member votes in respect of that interest, then only the vote of the Member whose name appears first in the register of Members counts.

2.10 Voting and proxies

Members can cast their vote in either of two ways:

- by attending the Meeting virtually and voting either in person, by attorney or, in the case of corporate investors (including corporate trustees), by corporate representative following the instructions outlined in page 4 (*What should you do?*); or
- by appointing a proxy to attend and vote on their behalf. A Member may submit their proxy online at www.votingonline.com.au/abfgm2021 or by email, fax or post. The relevant postal address, fax and email address are set out on page 4 (*What should you do?*) of this document.

For Members who are corporations, to vote in person at the virtual Meeting, you can appoint an individual to act as the representative of the corporation. The appointment must comply with the requirements of section 253B of the Corporations Act. The appropriate Certificate of Appointment of Corporate Representative must be produced before admission to the Meeting.

Members are entitled to appoint a proxy to attend and vote on their behalf at the Meeting. A proxy does not have to be a Member.

If you are entitled to cast two or more votes at the Meeting, then you may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Member appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes.

A proxy form is attached to this Notice of Meeting. To appoint a proxy, a Member must complete and sign the form and submit their proxy online at www.votingonline.com.au/abfgm2021 or send it by email, fax or post. For corporations and trusts or proxies for Members signed by your attorney, you must also send in the original authority (or a certified copy of it) under which the proxy form is signed. The proxy form and any authority to sign the proxy form must be received by **no later than 11:00am (AEDT) on 27 November 2021**. The relevant online portal details, postal address, fax number and email address are set out on page 4 (*What should you do?*) of this document.

If you return your proxy form but do not nominate a representative, then the Chairperson of the Meeting will be your proxy and will vote on your behalf as you direct on the Proxy Form.

If you have appointed the Chairperson as your proxy (or the Chairperson becomes your proxy) and you do not mark any of the boxes 'For', 'Against' or 'Abstain' in respect of the Resolution on the proxy form, then you will be deemed to have directed the Chairperson to vote in favour of the Resolution.

2.11 Auditor

The auditor of the Fund and the auditor of the Fund's compliance plan, or their authorised representatives, are entitled to attend the Meeting and be heard at the Meeting on any part of the business of the Meeting that concerns them as the auditor.

2.12 Minutes

AUFM will arrange for minutes for the Meeting to be taken and provide access by Members to the minutes.

2.13 Privacy

AUFM may collect personal information in the process of conducting the Meeting. Such information may include the name, contact details and security holdings of Members and the name of persons appointed by Members to act as a proxy, corporate representative or attorney at the Meeting. This collection is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist AUFM to conduct the Meeting. Personal information of the type described above may be disclosed to print and mail service providers and related bodies corporate of AUFM. Some of these entities may be located outside of Australia.

From time to time, AUFM may also be required to provide this information to a government or regulatory body such as ASIC, ATO or a law enforcement agency.

The main consequence of not collecting the personal information outlined above would be that AUFM may be hindered in, or prevented from, conducting the Meeting.

Members and persons appointed to act as a proxy, corporate representative or attorney at the Meeting have certain rights to access their personal information that has been collected and should contact AUFM in the first instance if they wish to access this information.

Members who appoint a named person to act as their proxy, corporate representative or attorney should ensure that they inform that person of these matters.

AUFM's privacy policy (available at www.australianunity.com.au/privacy-policy) contains more information about how personal information is usually collected, used and disclosed and how you can ask to access or seek correction of it. AUFM's privacy policy also contains information about how you can make a complaint and the process for dealing with such a complaint.

If you would like further information about the privacy policies and practices, then please contact the privacy officer as specified in the privacy policy.

2.14 Adjournment of Meeting

The Chairperson of the Meeting has the power to adjourn the Meeting for any reason, to such place and time as the Chairperson thinks fit.

3. Definitions

In this Notice of Meeting and in the Explanatory Memorandum, the following definitions apply unless the context otherwise requires. In addition, capitalised terms used in this document are as defined in the Constitution, unless otherwise indicated.

ABF means the Altius Bond Fund ARSN 150 873 395.

ABF Supplemental Deed means the supplemental deed which (if executed and a copy of which is lodged with ASIC if the Resolution is passed) will modify the Constitution, a draft of which is set out in Annexure A to the Explanatory Memorandum.

Altius means Altius Asset Management, Australian Unity's wholly owned cash and fixed interest business, as the investment manager of the Fund.

ASBF means the Altius Sustainable Bond Fund ARSN 601 618 179.

ASBF PDS means the Product Disclosure Statement for ASBF (and includes the Additional Information Document), which is set out in Annexure B to the Explanatory Memorandum.

ASIC means the Australian Securities and Investments Commission.

ATO means the Australian Taxation Office.

AUFM, we, us or our means Australian Unity Funds Management Limited ABN 60 071 497 115.

Australian Unity means the Australian Unity group of companies.

BNP Paribas means BNP Paribas Security Services ABN 149 440 291 as the administrator for AUFM as responsible entity of the Fund and ASBF.

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Constitution means the ABF constitution set out in the trust deed dated 5 May 2011, as amended by deeds poll, copies of which have been lodged with ASIC pursuant to section 601GC(2) of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Exchange Ratio is the ratio determined by dividing the Net Asset Value per Unit of the Fund by the Net Asset Value per unit of ASBF (as described in Section 2.6.2 of the Explanatory Memorandum).

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of Meeting.

Foreign Investor means a Member whose address on the register of Members maintained by AUFM is located in a jurisdiction outside of Australia, and where AUFM as responsible entity of ASBF has determined and notified to AUFM as responsible entity of ABF that it is unlawful or unduly onerous or impracticable to issue to that Member units in ASBF under the Proposal.

Fund means the Altius Bond Fund ARSN 150 873 395.

Implementation Date means the date on which the Proposal is implemented, being the date indicatively set as 7 December 2021.

Implementation Deed has the meaning given in Section 4.1 of the Explanatory Memorandum.

Meeting means the meeting of the Members at the time, date and manner specified in Section 1.1 of this Notice of Meeting.

Member means a holder of a Unit in the Fund.

Net Asset Value means, in relation to ABF or ASBF (as the case may be), the market value of the assets of ABF or ASBF (as the case may be) less accrued expenses and other liabilities ABF or ASBF (as the case may be) calculated in accordance with the constitution of ABF or ASBF (as the case may be).

Non-Sustainable Asset is an asset of ABF which is not consistent with the investment strategy of ASBF.

Notice of Meeting means the notice of meeting contained in this document.

Pre-Merger Distribution means a distribution to Members, holding Units on the Record Date, of:

- a) income of the Fund; and/or
- b) capital of the Fund, which may include capital relating to the disposal of Non-Sustainable Assets.

Proposal means the proposed transfer of all of the Units held by Members in ABF (except Units held by Foreign Investors) to the custodian for the responsible entity of ASBF at a value equal to the Net Asset Value per Unit of the Fund, and the issue of units in ASBF by the ASBF responsible entity to Members in consideration for such transfers at a value equal to the Net Asset Value per unit of ASBF, both calculated and completed at the time the merger is implemented.

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Record Date means the date immediately prior to the Implementation Date, which is indicatively set as 6 December 2021.

Responsible Entity means, in relation to the Fund, AUFM or (as the context requires) any other person appointed as responsible entity or trustee of the Fund.

Resolution means the resolution set out in this Notice of Meeting.

Unit means an undivided share in the beneficial interest of the assets of the Fund as provided in the Constitution.

EXPLANATORY MEMORANDUM

1. Background to the Meeting

1.1 What approval are we seeking from Members?

To implement the Proposal, AUFM is seeking the approval of Members to amend the Constitution to facilitate the merger of the Fund with ASBF in accordance with the details provided in this Explanatory Memorandum.

A summary of the proposed amendments to the Constitution is set out in the table below. The proposed amendments are set out fully in the ABF Supplemental Deed, which is annexed to this Explanatory Memorandum as Annexure A.

Proposed amendment	Description
Power to implement the Proposal	The Responsible Entity will be authorised to implement the Proposal and to do all things necessary, desirable or reasonably incidental for the purpose of implementing or effecting the Proposal.
Power of attorney	The Responsible Entity will be irrevocably appointed as the agent and attorney of each Member to execute all documents and do all things which it reasonably considers necessary or desirable to be executed or done on behalf of each Member to effect the Proposal, including without limitation to transfer each Member's Units to the responsible entity of ASBF and apply on their behalf for units in ASBF.
Suspension of applications, withdrawals and transfers	The Responsible Entity will be able to suspend applications and withdrawals of Units, and refuse to accept transfers of Units, to implement and give effect to the Proposal.
Management fee	The Responsible Entity will be entitled to a management fee calculated in accordance with the relevant provisions of the Constitution, payable up to, and including, the day prior to the Implementation Date.
Compulsory withdrawal	The Responsible Entity will be able to compulsorily withdraw all of Units of a Member who has an address recorded on the register outside of Australia on the Record Date at the withdrawal price on the Implementation Date.
Responsible Entity indemnity	The Responsible Entity will be indemnified from the Fund assets from and against any liability, claim, demand, cost, expense, damage and loss that may be suffered or incurred by them in relation to or arising out of the Proposal.
Responsible Entity liability	The Responsible Entity will not be liable to any Member for any loss or liability arising in connection with the Proposal or its implementation, except where the Responsible Entity has been negligent.
Binding nature	The amendments described above and the transactions contemplated by them are binding on the Responsible Entity and on all Members, including those Members who: <ul style="list-style-type: none"> • did not attend the Meeting; • attended the Meeting, or whose proxy attended the Meeting, but did not vote on the Proposal; • attended the Meeting, or whose proxy attended the Meeting, but voted against the Proposal; and • were not Members at the time of the Meeting.

If the Resolution is passed, the Responsible Entity will execute the ABF Supplemental Deed and lodge a copy of it with ASIC. Under the Corporations Act, the Constitution is not amended until a copy of the ABF Supplemental Deed is lodged with ASIC.

1.2 What changes are happening now?

Given the potential changes to the Fund being considered by Members, we will not be accepting applications for Units from the date of this Explanatory Memorandum.

While applications for Units will be suspended, we will continue to process withdrawals from the Fund up until the Implementation Date.

On the Implementation Date, all applications and withdrawals into or from the Fund will be suspended to allow us to calculate the Exchange Ratio. Any applications to redemptions received for processing on or after the Implementation Date will not be processed and will be returned to the applicant.

2. Detailed information about the Resolution and the Proposal

2.1 Why is the Resolution being proposed?

This Fund has been operating for the last 10 years, providing Members with an active and diversified fixed income strategy designed to optimise returns in all market conditions.

We regularly review our suite of products to ensure they deliver value for investors and represent the best of our investment capabilities. As a result, we are enabling the Fund to merge with ASBF because:

- The Fund and ASBF (collectively the 'funds') are both absolute return style fixed income funds that aim to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment;
- The funds are managed by the same team, Altius, and have a common interest rate and credit risk management strategy;
- Altius manages the portfolio of the Fund and ASBF in the same way, other than the additional sustainability overlay for ASBF – which is a more contemporary product feature available to Members as part of the Proposal;
- Members will benefit from a lower fee structure in ASBF; and
- The funds have broadly performed in line with each other since the establishment of ASBF in 2014.

The Proposal would be implemented by ASBF acquiring all of the Fund's Units on issue (except Units held by Foreign Investors) at a value equal to the Net Asset Value per Unit of the Fund, in exchange for issuing ASBF units to Members at a value equal to the Net Asset Value per unit of ASBF, both calculated and completed at the time the Proposal is implemented on an arm's length basis.

For the Proposal to proceed, Members in the Fund must approve the Resolution to change the Constitution as set out in the Notice of Meeting and described in this Explanatory Memorandum.

2.2 What are the key characteristics of ASBF once merged with the Fund?

A summary of the key metrics for the Fund and ASBF, as well as the expected outcome for Members holding ASBF units after the Proposal has been implemented, is set out in the table below.

Key feature	Current position of ABF	Current position of ASBF	Expected outcome for Members (as holders of ASBF units) after the Proposal has been implemented												
Investment objective	To outperform the benchmark (50% Reserve Bank of Australia Cash Rate and 50% Bloomberg AusBond Composite 0+Yr Index) after fees over rolling three-year periods.		ASBF's investment objective will remain the same after implementation												
Investment return benchmark	50% Bloomberg AusBond Composite Bond 0+ Yr Index 50% RBA Official Cash Rate		ASBF's investment return benchmark will remain the same after implementation												
Investment approach	Active and diversified, absolute return, fixed income fund aiming to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment	Active and diversified, absolute return, fixed income fund aiming to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment, with the addition of a sustainability overlay.	ASBF's investment approach is largely the same as ABF's investment approach, except ASBF has a sustainability overlay which Members will benefit from – (see Section 2.3 of this Explanatory Memorandum about how the sustainability overlay is applied). Approximately 4.5% of the Fund's assets are Non-Sustainable Assets and will need to be sold prior to implementation of the Proposal. ASBF can invest offshore but has not done so since inception nearly 7 years ago.												
Permitted investments	Fixed interest securities: 0-100% Cash and similar investments: 0-100% These investments may be with government or corporate entities in a range of 0-100%.														
	Only invests in domestic assets	Has the ability to invest in offshore assets (fully hedged into Australian dollars)													
Duration profile	0-7 years		ASBF's duration profile will remain the same												
Performance (gross returns to 30 Sept 2021)	<table border="1"> <thead> <tr> <th>1 year</th> <th>3 years</th> <th>5 years</th> </tr> </thead> <tbody> <tr> <td>-1.32%</td> <td>1.42%</td> <td>1.50%</td> </tr> </tbody> </table>	1 year	3 years	5 years	-1.32%	1.42%	1.50%	<table border="1"> <thead> <tr> <th>1 year</th> <th>3 years</th> <th>5 years</th> </tr> </thead> <tbody> <tr> <td>-1.38%</td> <td>1.29%</td> <td>1.35%</td> </tr> </tbody> </table>	1 year	3 years	5 years	-1.38%	1.29%	1.35%	The Proposal is not expected in itself to change the performance of ASBF's assets
1 year	3 years	5 years													
-1.32%	1.42%	1.50%													
1 year	3 years	5 years													
-1.38%	1.29%	1.35%													
Minimum balance amount	\$5,000		ASBF's minimum balance amount remains the same after implementation												
Minimum additional investment and regular savings plan	\$1,000 is the minimum additional investment, or \$100 per month under a regular saving plan		ASBF's minimum additional investment amount and saving plans requirements remains the same after implementation												
Management costs (fees and expenses)	0.58% p.a. of the Net Asset Value	0.49% p.a. of the Net Asset Value	Post- implementation, Members previously in the Fund benefit from a lower management costs as holders of units in ASBF												
Withdrawals	Daily, normally paid within five business days, although the maximum period to meet a withdrawal request is 21 days. The minimum withdrawal amount is \$1,000.		ASBF's requirements for withdrawals will remain the same post implementation												

2.3 Advantages

If the Resolution is approved, then the Responsible Entity considers the following advantages are expected to benefit Members from the implementation of the Proposal:

- **Lower management costs:** Members (as holders of units in ASBF) will benefit from lower total management costs (being ASBF's fees and expenses paid from the assets of ASBF, excluding transactional and operational costs of ASBF). This is because the total management costs of ASBF are reasonably estimated to be 0.49% p.a. of Net Asset Value whereas the total management costs of ABF are reasonably estimated to be 0.58% p.a. of Net Asset Value. Further, AUFM's total management fee will be lower as a result of the Proposal (including the subsequent termination of ABF) on an absolute basis reflecting the lower management fee charged by AUFM as responsible entity of ASBF compared to the management fee it charges as responsible entity of ABF.
- **Additional sustainability overlay:** Altius will continue to manage the portfolio of the Fund and the portfolio of ASBF in the same way, other than the additional sustainability overlay for the ASBF which is a more contemporary product feature available to Members as part of the Proposal.

To ensure the Fund's portfolio is consistent with ASBF's sustainability overlay, a small amount of the Fund's assets will need to be sold (see Section 2.4 of this Explanatory Memorandum). However, the Fund has approximately a 95.5% commonality of investments with ASBF's assets with similar duration, credit risk settings and realised return profiles meaning the changes are unlikely to be material from the perspective of Members who become holders of units in ASBF under the Proposal.

The sustainability overlay for the ASBF portfolio involves three stages:

- First, a negative screen compresses the investment universe, most notably excluding issuers that derive material revenue from gambling, alcohol, and the production and sale of thermal coal.
- Second, a proprietary sustainability ranking is incorporated into bottom-up credit research. This Environmental, Social, and Governance (**ESG**) risk assessment further limits potential investment opportunities based on poor ESG scoring, while enhancing the credit profile of a positive scorer – a step that results in material allocation to green bonds.
- Third, Altius' Sustainability Advisory Committee considers forward-looking assessments of ESG risk and matters of materiality to mitigate factors that could warrant engagement or divestment on sustainability grounds. This committee structure sets the strategy apart; industry experts provide independent validation of the investment team's commitment to upholding the organisation's Sustainability Policy.

Further information about the investment strategy of ASBF is set out in the ASBF PDS in Annexure B to this Explanatory Memorandum.

- **Some product features will not change:** The investment objective, investment return benchmark, minimum investment balance, minimum additional investment amount, and minimum withdrawal amount for ASBF are identical to these features as they relate to the Fund. As a result, these features will not change.
- **Same investment team:** Altius, Australian Unity's wholly owned cash and fixed interest business, will continue to manage ASBF like they have been managing the Fund.

2.4 Disadvantages and risks

If the Resolution is approved, then the Responsible Entity considers the following matters are expected to disadvantage some or all Members from the implementation of the Proposal:

- **Non-Sustainable Assets to be sold:** Prior to implementing the Proposal, approximately 5% of the Fund's assets that do not meet ASBF's sustainability criteria will need to be sold. The sale of these assets may provide Members with a potential capital gain or loss, which will need to be reflected in their 2022 income tax return and would otherwise not have been incurred at this point in time.
- **Investor requirements:** While ASBF offers a sustainability overlay and can invest offshore (noting ASBF has not acquired any offshore assets since it was established nearly seven years ago), this may not be suitable for Members who prefer an Australian-only portfolio or wish to be exposed to Non-Sustainable Assets.

Members should be aware of certain risks relating to the Proposal. These include:

- **Voting risk:** To implement the Proposal, the Resolution must be passed by at least 75% of those Members who are entitled to vote on the Resolution. Given the persons excluded from voting on the Resolution described in Section 4.3 of this Explanatory Memorandum, it is possible that a relatively small number of Members (who are entitled to vote) vote against the Resolution, in which case the Proposal will not proceed.
- **Costs:** Once the Proposal has been implemented, the Fund will be terminated and the Fund's assets will be transferred to ASBF to realise efficiencies. The costs of terminating the Fund (such as audit costs) have already been accrued into the Fund's Unit price. This accrual has reduced the value of a Member's holding in the Fund by approximately 0.02%. Members who choose to redeem their investment prior to the Implementation Date will effectively pay their share of these costs, as well as a sell spread of 0.10%. If the Proposal does not proceed, these accrued Fund termination costs will likely be reversed. There are also additional costs relating to structuring and implementing the Proposal (such as the costs of legal and other advisory services). The Responsible Entity will itself bear these additional costs. As a result, other than the costs of terminating the Fund (as set out above), the Proposal will not give rise to an increase in direct costs borne by the Fund.
- **Taxable event on in specie distribution:** The in-specie distribution of the assets of the Fund prior to, or as part of its termination of the Fund, will be a taxable disposal of those assets for the Fund. To the extent that the in-specie distribution gives rise to income or gains in the Fund, those amounts will be attributed to ASBF. The amount attributed to ASBF may be distributed as a taxable distribution to the holders of units in ASBF.

In addition to the above risks, Members should read the risks of being a holder of units in ASBF described in the ASBF PDS.

2.5 Alternatives considered

In considering the Proposal and whether the Proposal should be put to Members at a meeting of Members, the Responsible Entity considered the following alternatives:

- **Continue operating the Fund:** AUFM considered taking no action and continuing to operate ABF as a stand-alone fund. However, for the reasons stated in this Explanatory Memorandum, it was determined that the Proposal is in the best interests of Members.
- **Merge the Fund with ASBF:** For reasons stated in this Explanatory Memorandum, AUFM considers that this option is in the best interests of Members. Merging ABF with ASBF provides Members with a number of advantages, in particular, offering the same investment strategy with lower management costs.

2.6 What happens if the Resolution is approved?

If the Resolution is approved, then we will implement the Proposal by following these steps:

Steps	Indicative timeframe*	Further information
(a) The ABF Supplemental Deed will be executed by AUFM and a copy of the ABF Supplemental Deed will be lodged with ASIC so that the Constitution may be amended.	29 November 2021	Section 1 of this Explanatory Memorandum
(b) The Fund will sell any Non-Sustainable Assets to ensure that the portfolio has assets aligned to ASBF's investment strategy as at the Implementation Date.	By 6 December 2021	Sections 2.2, 2.3 and 2.4 of this Explanatory Memorandum
(c) A Pre-Merger Distribution will be declared to Members.	6 December 2021	Section 2.6.1 of this Explanatory Memorandum
(d) The Net Asset Value per unit for both ABF and ASBF will be calculated to determine the Exchange Ratio that will be effective as at the Implementation Date.	7 December 2021	Section 2.6.2 of this Explanatory Memorandum
(e) All Units held by Foreign Investors on the Record Date will be compulsorily withdrawn.	7 December 2021	Section 2.6.4 of this Explanatory Memorandum
(f) Except in relation to Foreign Investors, all Units held by Members will be transferred to the custodian for AUFM as the responsible entity of ASBF, the Responsible Entity will apply for units in ASBF on behalf of Members in the Fund, and AUFM as responsible entity of ASBF will issue ASBF units to Members.	7 December 2021	Section 2.6.3 of this Explanatory Memorandum
(g) Members will receive a redemption confirmation and periodic statement from the Fund, along with an application confirmation statement in respect of their units in ASBF.	Within 7 Business Days after the Implementation Date	n/a
(h) Pay the Pre-Merger Distribution to Members.	Within 7 Business Days after the Implementation Date	Section 2.6.1 of this Explanatory Memorandum
(i) AUFM will settle any Member exercising their cooling off rights.	See the ASBF PDS for further information	Page 7 of ASBF PDS and Section 4.5 of this Explanatory Memorandum
(j) Terminate and wind up the Fund, then deregister the Fund as a registered managed investment scheme.	As soon as reasonably practicable after the Implementation Date	Section 2.6.5 of this Explanatory Memorandum

* These dates are indicative only and subject to change. Some of these dates reflect the effective date of the step.

2.6.1 Pre-Merger Distribution

AUFM will pay a Pre-Merger Distribution to Members for the period 1 October 2021 to (but not including) the Implementation Date, with a record date of 6 December 2021 or such other date determined by AUFM. The Pre-Merger Distribution will comprise income and any realised gains, including any gains as a result of selling the Fund's assets that do not meet ASBF's sustainability criteria (see Sections 2.2 and 2.3 of this Explanatory Memorandum).

The Pre-Merger Distribution will be determined on the Record Date. The Pre-Merger Distribution will be paid within 7 days after the Implementation Date.

2.6.2 Calculation of the Exchange Ratio

To calculate the Exchange Ratio, we will value the assets and liabilities in the Fund and ASBF, and then use this information to calculate the Exchange Ratio.

Both of these processes are set out below.

Valuation of assets in ABF and ASBF

AUFM has appointed BNP Paribas, as the administrator of the Fund and ASBF, to independently determine the Net Asset Value per unit of each of the Fund and ASBF on an arm's length basis. BNP Paribas:

- a) has a policy of reporting valuations of assets based on an independent pricing source;
- b) uses ICE Data Services (Aust & NZ) as the independent pricing source to value bonds in Australia and New Zealand; and
- c) provides its clients such as AUFM a report on the controls and processes BNP Paribas uses to provide a valuation of assets based on (among other things) the independent pricing sources it uses, being a report that meets the standards required under the 'International Standard on Assurance Engagements (ISAE) 3402'. BNP Paribas also has unit pricing and valuation policies that align and accord with industry standard and regulatory guidelines.

Exchange Ratio

The Exchange Ratio is determined by dividing the Fund's Net Asset Value per Unit by the Net Asset Value per unit for ASBF, both calculated with effect on the Implementation Date calculated to ten decimal places. While the precise Exchange Ratio cannot be effectively determined until the Implementation Date, to provide Members with an indicative Exchange Ratio, we have provided a worked example below using the Net Asset Value per Unit for the Fund and the Net Asset Value per unit for ASBF as at 30 September 2021.

Exchange Ratio = Net Asset Value per Unit of the Fund ÷ Net Asset Value per unit of ASBF

Exchange Ratio = \$0.9875 ÷ \$1.0010

Exchange Ratio = 0.9865134865 (indicative Exchange Ratio as at 30 September 2021)

2.6.3 Transfer of Units and issue of ASBF units to Members

Effective on the Implementation Date, all Units held by Members (except Units held by Foreign Investors) will be transferred to the custodian for AUFM as the responsible entity of ASBF, AUFM will apply for units in ASBF on behalf of Members, and AUFM as responsible entity of ASBF will issue ASBF units to Members based on the Exchange Ratio. A worked example is provided below using the indicative Exchange Ratio calculated above.

If a Member held 10,000 Units valued at \$0.9875 per Unit, then their investment is valued at \$9,875.00.

Notice of Meeting and Explanatory Memorandum

Applying the Exchange Ratio, for each Unit held by a Member, the Member would receive 0.9865134865 units in ASBF.

After the Proposal has been implemented, the Member would hold 9,865.1349 units in ASBF (calculated as 10,000 Units multiplied by the Exchange Ratio of 0.9865134865). As each ASBF unit is valued at \$1.0010, this values the Member's holding in ASBF at \$9,875.00 which is exactly the same value as their holding in the Fund.

This has been summarised in the table below. It is indicative only as the Exchange Ratio will be calculated on the Implementation Date.

Worked example	A Member's holding in the Fund immediately prior to implementing the Proposal	A Member's holding in ASBF immediately after implementing the Proposal
Units held by a Member	10,000.0000	9,865.1349*
Value per unit as at 30 September 2021 (based on the Net Asset Value)	\$0.9875	\$1.0010
Total value of Member's holding	\$9,875.00	\$9,875.00

* Calculated as 10,000 ASBF units multiplied by the Exchange Ratio of 0.9865134865. Unit holdings in this example are measured to four decimal places.

2.6.4 Withdrawal of Foreign Investors

To comply with the Corporations Act, units issued to Members in ASBF as part the Proposal will only be to Members domiciled in Australia. Foreign Investors will be ineligible to participate in the Proposal. Foreign Investors holding Units on the Record Date will have their Units compulsorily withdrawn on the Implementation Date.

2.6.5 Termination and deregistration of ABF

If the Resolution is passed, after implementation of the Proposal AUFM will remain as responsible entity of ASBF and ABF will be a wholly-owned sub-trust of ASBF.

AUFM as responsible entity of ABF then intends to terminate and wind up the Fund, then will seek to deregister ABF as a registered scheme. As part of winding up ABF, AUFM intends to transfer the assets of the Fund in specie to AUFM as responsible entity of ASBF as the sole holder of units in the Fund.

2.7 What happens if the Resolution is not approved?

If the Resolution is not approved, then:

- the ABF Supplemental Deed will not be executed and the Constitution will not be amended by the ABF Supplemental Deed;
- the Fund will continue to operate as an unlisted registered managed investment scheme with the same investment parameters and Members will continue to hold Units;
- the temporary suspension of applications for Units (see Section 1.2 of this Explanatory Memorandum) will cease and the Fund will be open to new applications;
- the Fund's fee structure will not change. As a result, Members will not benefit from a lower fee structure had the Fund merged with ASBF; and
- AUFM is unlikely to continue incurring expenses for services like independent research reports for the Fund.

3. Tax information for Members

The following is a summary of the Australian income tax, Goods and Services Tax (GST) and stamp duty implications for an existing Member in the Fund. It applies to Members who hold their investment in the Fund on capital account for tax purposes. This summary does not consider the tax implications for other Members such as those who hold their investment in the Fund on revenue account or as trading stock.

This summary is based on our interpretation of the current Australian tax laws at the date of this Notice of Meeting and Explanatory Memorandum, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change, including with retrospective effect.

The information below is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances. Accordingly, we recommend that you seek independent professional taxation advice regarding your particular circumstances.

3.1. Pre-Merger Distribution

If the Proposal proceeds, AUFM intends to pay a Pre-Merger Distribution of income and any realised gains (if any) up to, but not including the Implementation Date.

AUFM will notify Members of the tax components attributed to the Members in respect of the year ending 30 June 2022 by issuing members an AMMA statement after the end of the financial year.

3.2. Exchange of Units for ASBF units

If the Proposal proceeds, effective on the Implementation Date, all Units held by Members (except for Foreign Investors) will be exchanged for ASBF units. Subject to the application of the CGT rollover referred to below, the exchange will result in a CGT event A1 and the Members will make a capital gain (or capital loss) to the extent that the value of the ASBF units issued in exchange for the Units, exceeds (or is less than) the Member's cost base (or reduced cost base) in the Units.

The Member's cost base in the Units should take into account any AMIT cost base net amount excesses or shortfalls that have been advised to Members in their annual AMMA statements as these amounts may have the effect of increasing or decreasing the cost base of your Units and therefore increasing or decreasing your capital gain or capital loss.

A CGT rollover should apply to the Units held by a Member if:

- the Member would otherwise make a capital gain on the disposal of the relevant Units;
- the Member chooses to obtain the rollover, which is evidenced by the way in which the Member prepares their tax return; and
- the Member is an Australian resident for tax purposes.

If the rollover is chosen by the Member on all Units, the capital gain that would otherwise arise to Members on the exchange of their Units is disregarded and deferred until the Member disposes of their replacement ASBF units. The ASBF units received by the Member should have a cost base equal to the cost base of the Units at the Implementation Date.

If a particular Member does not choose to claim the rollover or does not qualify for a CGT rollover, any capital gain arising on the exchange of their Units will be assessable to that Member. The CGT discount may apply to that capital gain if the Member is an individual, trustee or complying superannuation fund and the Units were held for at least 12 months and certain other conditions are satisfied. Furthermore, the ASBF units received by the Members should have a cost base equal to the cost base of their Units on the Implementation Date.

In the event that a Member makes a capital loss on the exchange of Units, the CGT rollover will not apply to that loss. The capital loss may be available to offset other current or future year capital gains.

3.3. Post merger termination of the ABF

As part of winding-up the Fund, AUFM intends to make an in-specie transfer of the assets of the Fund to AUFM as responsible entity of ASBF as the sole holder of units in the Fund. The in-specie distribution of the assets of the Fund will be a taxable disposal for the ABF. To the extent that the in-specie distribution gives rise to income or gains for the ABF, those amounts will be attributed to ASBF and may ultimately be distributed as a taxable distribution to the holders of units in ASBF.

3.4. Goods and Services Tax

Members will not be liable for any GST on the exchange of their Units for ASBF units. Cash distributions from the Fund to Members will also not be subject to any GST.

3.5. Stamp duty

Members will not be liable for any stamp duty on the exchange of Units for ASBF units.

4. Other information

4.1. Implementation Deed

The Responsible Entity and AUFM as responsible entity of ASBF have entered into an implementation deed dated 3 November 2021 (**Implementation Deed**). The Implementation Deed regulates the basis on which the Proposal will be implemented.

In general terms, the Implementation Deed relevantly provides that:

- a) each of the Responsible Entity and AUFM as responsible entity of ASBF agrees to enter into and (provided the Resolution is passed by Members) implement the Proposal;
- b) each of the Responsible Entity and AUFM as responsible entity of ASBF agrees to perform their respective duties and obligations to give effect to the Proposal (provided the Resolution is passed by Members), including the steps described in Section 2.6 of this Explanatory Memorandum;
- c) the Implementation Deed automatically terminates where the approval of Members to amend the Constitution to give the Responsible Entity the power to enter into and implement the Proposal is not obtained by 30 June 2022;
- d) the Implementation Deed automatically terminates where one party receives a notice from the other party to the effect that the party considers (as responsible entity of the relevant fund) that the Proposal is not in the best interests of members of that fund; and
- e) subject to limited exceptions, an obligation or liability arising under or in connection with the Implementation Deed can be enforced against the Responsible Entity or AUFM as responsible entity of ASBF (as the case may be) only to the extent to which it can be satisfied out of the property of the relevant fund out of which the respective responsible entity is actually indemnified for the obligation or liability.

4.2. Constitution

You may obtain a copy of the Constitution by contacting us.

4.3. Voting exclusions

Under the Corporations Act, AUFM and its associates are not entitled to vote their interest on the Resolution if they have an interest in the Resolution or matter other than as a member of the Fund. AUFM and its associates will not vote on the Resolution.

As at 30 September 2021, AUFM and its associates held 70.5% of Units on issue at that time.

4.4. Governance structure for the Proposal

As AUFM is both the responsible entity of the Fund and ASBF, AUFM established a governance structure to manage any actual or perceived conflicts of interest. In general terms, the governance structure involved AUFM taking the following steps:

- a) establishing two deal teams with different staff members to consider and manage the Proposal on a day-to-day basis on behalf of the directors in respect of ABF and ASBF (as applicable);
- b) developing, implementing and complying with the governance structure covering:
 - (i) the establishment of information barriers between the deal teams; and
 - (ii) the preparation of a board paper by each deal team for consideration by the board of AUFM as responsible entity of each of ABF and ASBF, along with reasons as to why the relevant deal team considers the Proposal to be in the best interests of ABF Members and ASBF Members, respectively;
- c) identifying the differences between the product features of investments in ABF and ASBF and the advantages, disadvantages and risks of the Proposal;
- d) disclosing in the explanatory memorandum accompanying the notice of meeting to be sent to ABF Members the differences between the product features of investments in ABF and ASBF, and the advantages, disadvantages and risks of the Proposal; and
- e) ensuring that the Proposal, including the terms of the Implementation Deed and importantly, the Exchange Ratio, is undertaken on arm's length terms.

4.5. Cooling-off rights

The cooling-off regime under the Corporations Act applies to the issue of ASBF units to Members under the Proposal. If the Proposal is implemented and you want to exercise your cooling off rights, please contact AUFM as responsible entity of ASBF as soon as practicable after the Implementation Date and in any event within 14 days after you receive the confirmation statement for your ASBF units, or within 14 days of the fifth Business Day following the Implementation Date (whichever is earlier). You should note that you can redeem your ASBF units on any Business Day at the withdrawal price for that day.

4.6. Directors' recommendation

The directors of AUFM unanimously recommend that Members vote in favour of the Resolution.

Supplemental deed

Altius Bond Fund
Australian Unity Funds Management Limited

Supplemental deed

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Supplemental deed

Date

Made by

Australian Unity Funds Management Limited ACN 071 497 115 in its capacity as responsible entity of the Altius Bond Fund ARSN 150 873 395 of 271 Spring Street, Melbourne, Victoria, 3000 (**Trustee**)

Recitals

- A The Trustee is the responsible entity of the Trust.
- B The Trust was registered as a managed investment scheme under Chapter 5C of the Corporations Act by ASIC on 25 May 2011.
- C Under clause 20 of the Constitution the Constitution may be amended by a supplemental deed if the provisions of the supplemental deed have been approved by a special resolution of the members of the Trust.
- D Section 601GC(1)(a) of the Corporations Act provides that the constitution of a registered scheme may be modified, or repealed and replaced with a new constitution, by special resolution of the members of the scheme.
- E At a meeting of members of the Trust on 29 November 2021, it was resolved by special resolution that the Constitution be modified as set out in this deed.
- F The Trustee wishes to modify the Constitution in the manner set out in this deed on the basis that the modifications to the Constitution, and the execution of this deed, have been approved by special resolution of the members of the Trust.
- G In accordance with section 601GC(2) of the Corporations Act, the modifications to the Constitution contained in this deed are intended to take effect when a copy of this deed is lodged with ASIC.

This deed poll witnesses as follows

1 Definitions and interpretation

1.1 Definitions

In this deed:

ASIC means the Australian Securities and Investments Commission.

Corporations Act means the *Corporations Act 2001* (Cth).

Constitution means the trust deed of the Trust dated 5 May 2011, as amended from time to time.

Effective Time means the date and time at which a copy of this deed is lodged with ASIC in accordance with subsection 601GC(2) of the Corporations Act.

Trust means the Altius Bond Fund ARSN 150 873 395 constituted under the Constitution.

1.2 Interpretation

- (a) Unless a contrary intention is expressed or implied, words and expressions defined in the Constitution have the same meanings when used in this deed.
- (b) Clause 28.2 ('Interpretation') of the Constitution applies to this deed as though that clause was set out in full.

2 Modification of the Constitution

On and from the Effective Time, the Constitution is modified in the manner set out in Annexure A.

3 Operation of this deed

3.1 No re-declaration, etc

The Trustee confirms that it is not, by clause 2 of this deed:

- (a) declaring the Trust or any other trust;
- (b) re-declaring the Trust;
- (c) settling the Trust or any other trust;
- (d) resettling the Trust;
- (e) rescinding the Trust;
- (f) causing the transfer, vesting or accruing of property in any person; or
- (g) entering into a new constitution.

3.2 Remaining provisions unaffected

Except as amended by this deed, all terms and conditions of the Constitution remain in full force and effect. With effect from the Effective Time, the Constitution amended by this deed is to be read as a single integrated document incorporating the modifications effected by this deed.

3.3 Binding provisions

The provisions of this deed are binding on and are made for the benefit of the Trustee, each member of the Trust and all persons claiming through them.

3.4 Governing law and jurisdiction

This deed is governed by the laws of the state of Victoria. The Trustee irrevocably submits to the nonexclusive jurisdiction of the courts of that state.

EXECUTED as a deed poll.

Each person who executes this deed on behalf of the Trustee under a power of attorney declares that they are not aware of any fact or circumstance that might affect their authority to do so under that power of attorney.

Supplemental deed

Signing page

SIGNED SEALED AND DELIVERED by
**AUSTRALIAN UNITY FUNDS
MANAGEMENT LIMITED ACN 071 497 115**
in accordance with section 127 of the
Corporations Act 2001 (Cth) by being signed
by the following officers:

Signature of director

Signature of director/company secretary

Name of director
(please print)

Name of director/company secretary
(please print)

Supplemental deed

Annexure A - Modification of the Constitution

After clause 29, insert the following clause.

30. RESTRUCTURE PROPOSAL

30.1 Definitions

In this clause 30, the following words and phrases have the following meanings unless the contrary intention appears:

ASBF means the Altius Sustainable Bond Fund ARSN 601 618 179.

ASBF RE means the responsible entity of ASBF, being currently Australian Unity Funds Management Limited ACN 071 497 115.

Implementation Date means the date on which the Transfer takes place.

Implementation Deed means the Implementation Deed dated 3 November 2021 between the Responsible Entity and ASBF RE.

Record Date means the date before the Implementation Date.

Restructure means the proposal to transfer of all of the Units on issue to ASBF RE, and the issue of units in ASBF by ASBF RE to the Unit Holders in consideration for such transfers, on terms set out in the Implementation Deed.

Transfer means the transfer of all of the Units to ASBF RE under the Restructure.

30.2 Power to implement the Restructure

30.2.1 Subject to compliance with its duties and obligations under section 601FC of the *Corporations Act*, the Responsible Entity is empowered to do all things which it considers necessary, desirable or reasonably incidental for the purpose of implementing or effecting the Restructure, and the Implementation Deed and the transactions contemplated by it, and those powers apply notwithstanding, and are not limited by, any other provision of this constitution.

30.2.2 Subject to the *Corporations Act*, the Responsible Entity, and any of its directors or other officers, employees or associates, may do any act or thing described in or contemplated by this clause 30 even if they have an interest (financial or otherwise) in the outcome.

30.3 Suspension of applications, withdrawals and transfers

Without limiting any other provision of this constitution, the Responsible Entity may:

30.3.1 suspend applications for Units;

30.3.2 suspend withdrawals of Units;

30.3.3 refuse to accept transfers or transmissions of Units; or

30.3.4 a combination of any or all of items set out in paragraphs 30.3.1, 30.3.2 and 30.3.3,

to implement and give effect to the Restructure.

30.4 Responsible Entity's limitation of liability

In addition to all other rights of the Responsible Entity under this constitution and at law, the Responsible Entity will be indemnified out of the Fund from and against any liability, claim, demand, cost, expense, damage and loss that may be suffered or incurred by the Responsible Entity in relation to or arising out of the Restructure.

30.5 Responsible Entity not liable

Notwithstanding any other provision of this constitution, the Responsible Entity will not be liable to any Unit Holder in any way, arising directly or indirectly, as a result of the Responsible Entity doing or refraining from doing any act or thing (including the execution of documents) pursuant to or in connection with the Restructure or its implementation.

30.6 Invalidity, ineffectiveness or unenforceability

Clauses 30.4 and 30.5 extend to all liabilities, claims, demands, costs, expenses, damages and losses (**Loss**) arising in connection with any invalidity, ineffectiveness or unenforceability of any aspect of the Restructure or its implementation, except to the extent that such Loss is attributable to the Responsible Entity's own negligence.

30.7 Power of attorney

30.7.1 The Responsible Entity is irrevocably appointed as the agent and attorney of each Unit Holder to execute all documents and do all things which it reasonably considers necessary or desirable to be executed or done on behalf of the Unit Holder to implement or effect the Restructure. To implement or effect the Restructure, the Responsible Entity is authorised to execute such documents and do such things for and on behalf of a Unit Holder without needing any further authority or approval from the Unit Holder.

30.7.2 Without limiting clause 30.7.1, the Responsible Entity is irrevocably appointed as the agent and attorney of each Unit Holder to undertake the following steps to implement or effect the Restructure in accordance with the Implementation Deed:

- (a) transfer each Unit Holder's Units to ASBF RE and execute any documents (and providing any such information about Unit Holders to ASBF RE) relating to the Transfer;
- (b) in consideration for the Transfer, apply on behalf of each Unit Holder for the issue of units to the Unit Holder by ASBF RE in ASBF and to provide any information about the Unit Holder (as supplied by the Unit Holder) to ASBF RE; and
- (c) agree on behalf of each Unit Holder to be bound by the terms of the constitution of ASBF.

30.8 Management fee

- 30.8.1 Immediately prior to the Transfer, the Responsible Entity shall be entitled to a management fee calculated in accordance with the relevant provisions of this constitution.
- 30.8.2 For the purposes of the management fee described in clause 30.8.1, the management fee will be calculated daily and payable up to, and including, the day prior to the Implementation Date.
- 30.8.3 The management fee described in clause 30.8.1 will be paid from the Fund in the manner and at the time as the Responsible Entity thinks appropriate.

30.9 Agreements and warranties by Unit Holders

Under the Restructure, each Unit Holder whose Units are transferred under the Restructure:

- 30.9.1 agrees to the binding nature of this clause 30 on terms described in clause 30.12;
- 30.9.2 agrees to transfer its Units, together with all rights and entitlements attaching to those Units, in accordance with the terms of the Restructure;
- 30.9.3 agrees to any variation, cancellation or modification of the rights attached to its Units constituted by or resulting from the Restructure;
- 30.9.4 agrees to provide the Responsible Entity with any information as it, or ASBF RE, may reasonably require to comply with any law in respect of the Restructure and the transactions contemplated by this clause 30, including information required to comply with laws relating to anti-money laundering and counter-terrorism financing;
- 30.9.5 consents to the Responsible Entity and ASBF RE doing all things and executing all documents as may be necessary or desirable to give full effect to this clause 30 and the transactions contemplated by this clause 30;
- 30.9.6 agrees not to dispose of, or purport to dispose of, its Units on the Implementation Date;
- 30.9.7 warrants to ASBF RE that its Units (including all rights and entitlements attaching to those Units) will, as at the Implementation Date, be fully paid and free from all encumbrances (howsoever described); and
- 30.9.8 warrants to ASBF RE that they have full power and capacity to sell and transfer its Units (including all rights and entitlements attaching to those Units) to ASBF RE (or any custodian appointed by ASBF RE) under the Restructure.

30.10 Compulsory withdrawal

- 30.10.1 Under the Restructure, each Unit Holder agrees that, where the Unit Holder has an address recorded on the Register as being outside Australia on the Record Date (or such other date determined by the Responsible Entity):
 - (a) the Responsible Entity may compulsorily withdraw all of the Unit Holder's Units at the Withdrawal Price on the Implementation Date;

- (b) no further consent or approval of the Unit Holder is required for the compulsory withdrawal under paragraph (a); and
- (c) the Responsible Entity's power to compulsorily withdraw the Unit Holder's Units under paragraph (a) is notwithstanding any other provision to the contrary under this constitution or under any other term of issue of the Unit Holder's Units.

30.10.2 The Responsible Entity will pay the withdrawal proceeds of a withdrawal under clause 30.10.1 to the Unit Holder (or at the Unit Holder's direction) within the time specified in the Implementation Deed.

30.11 Paramountcy

This clause 30 has effect of any other provision of this constitution and any provision of this constitution which is inconsistent with this clause 30 does not operate to the extent of the inconsistency.

30.12 Binding nature of this clause

This clause 30 and the transactions contemplated by it are binding on the Responsible Entity and on all Unit Holders, including those Unit Holders who:

30.12.1 did not attend the meeting of the Unit Holders to consider and vote on the Restructure;

30.12.2 attended the meeting the Unit Holders, or whose proxy attended the meeting of Unit Holders, to consider and vote on the Restructure but did not vote on the Restructure;

30.12.3 attended the meeting of Unit Holders, or whose proxy attended the meeting of Unit Holders, to consider and vote the Restructure but voted against the Restructure; and

30.12.4 were not Unit Holders at the time of the meeting of the Unit Holders to consider and vote on the Restructure.

30.11 Cessation of operation

This clause 30 ceases to have any force or operation if the Implementation Deed is terminated in accordance with its terms.

Altius Sustainable Bond Fund

Issued by: Australian Unity Funds Management Limited ('AUFM', 'Responsible Entity') ABN 60 071 497 115, AFS Licence No. 234454

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This Product Disclosure Statement ('PDS') is a summary of significant information about the Altius Sustainable Bond Fund (ARSN 601 618 179) ('Fund') and contains a number of references to important information, each of which forms part of the PDS.

This reference material is contained in the Additional Information Document available on our website australianunity.com.au/wealth/asbf. You should consider the information in the Additional Information Document before making the decision about whether to invest in the Fund. A reference to 'this PDS' or 'the PDS' includes, unless the context otherwise requires, a reference to both the PDS and to the Additional Information Document.

The information provided in this PDS is general information only and does not take into account your investment objectives, financial situation or particular needs. Before making any decision about this product, you should consider the information in this PDS and the reference materials, and obtain financial advice tailored to your personal circumstances.

An investment in the Fund, including through the units offered under this PDS, is not guaranteed or otherwise supported by AUFM or any other member of the Australian Unity Group. An investment in the Fund does not represent a deposit or other liability in Australian Unity Bank Limited. Your investment is exposed to investment risk including possible delays in repayment and loss of income and principal invested. You should consider this when assessing the suitability of the investment and particular aspects of risk.

In this document, the description 'we', 'us' or 'our' refers to AUFM (unless the context otherwise requires).

Certain information in this PDS is subject to change. Information that is not materially adverse will be updated by us via our website. Visit our website for these updates and further information on the Fund, including continuous disclosure information, unit prices and performance. We recommend that you obtain and review this information before you invest. Alternatively, you can call us and we will send you the requested information free of charge.

The PDS has been prepared to comply with the requirements of the laws of Australia. No units are being offered to any person whose registered address is outside of Australia unless AUFM is satisfied that it would be lawful to make such an offer. The distribution of the PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of the PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The PDS may only be used by investors receiving it (electronically or otherwise) in Australia. No investments will be accepted on the basis of the PDS once replaced with a later PDS.

In this PDS, 'business day' refers to a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday.

The PDS is available in electronic format, including access via our website. If you receive the PDS electronically, please ensure that you have received the PDS in its entirety. If you are unsure whether the electronic documents you have received are complete, please contact us. Printed copies are available free of charge.

Contact Details

Address

Australian Unity Wealth & Capital Markets
GPO Box 804
Melbourne VIC 3001

Website

australianunity.com.au/wealth

Email

australianunitywealth@unitregistry.com.au

Investor Services

1300 997 774

Adviser Services

1300 997 774

Altius Sustainable Bond Fund

1. About Australian Unity Funds Management Limited

Who we are

Australian Unity Funds Management Limited ('AUFM') is the responsible entity for the Fund. It is subject to the provisions of the Fund's constitution and the Corporations Act 2001.

AUFM is responsible for the administration and management of the Fund and sets its investment policy and objectives.

AUFM is a wholly owned subsidiary of Australian Unity Limited

(ABN 23 087 648 888) and is part of the Australian Unity Group of companies ('Australian Unity') which undertake investment activities.

At Australian Unity, we focus on improving the financial wellbeing of our investors. Following this basic principle, we have created a number of successful funds with a focus on the core areas of cash, fixed interest, property and Australian equities. These funds are managed either directly by Australian Unity or by one of our joint venture partners.

Investment Manager

Altius Asset Management ('Altius'), Australian Unity's wholly owned cash and fixed interest business, is the investment manager of the Fund.

Altius takes a diversified approach to cash and fixed interest funds management, combining both credit and duration strategies, and seeks to optimise returns for investors throughout all market conditions.

Altius incorporates environmental, social and governance ('ESG') risk assessment for its corporate and financial investments as part of its credit research due diligence, as set out in its Responsible Investment Policy. The commitment to ESG assessment is core to the Altius team and the majority of its offerings, including the Fund.

2. How the Altius Sustainable Bond Fund works

The Fund is a registered managed investment scheme, structured as a unit trust. Investor applications into the Fund are pooled to purchase a portfolio of fixed interest securities, derivatives and cash, including Government, corporate, bank and other bonds, debentures, notes and other debt related securities.

So that you know what your investment in the Fund is worth, the total value of the assets is divided into units. We will quote you a price for each unit each business day and will keep a record of the number of units you hold.

The application and withdrawal price of your units is subject to the applicable buy/sell spread.

The price of units will change as the market value of assets in the Fund rises or falls. We will be able to provide you with information about the current unit price to help you decide whether to sell your units or buy more. You can increase your investment at any time while the Fund is open for applications by buying more units in the Fund. Generally, you can decrease your investment by redeeming some or all

of your units, although in certain circumstances (such as a freeze on withdrawals) you may not be able to withdraw your investment within the usual period. Withdrawals can be made by using the Withdrawal Request Form on our website or by contacting us. Withdrawals can generally be made on any business day.

You should read important information about unit prices before making a decision. Go to the information about 'Unit prices' in Section 2 of the Additional Information Document. The material relating to unit prices may change between the date when you read this PDS and the day when you acquire the product.

Minimum investment and withdrawal amounts

Minimum investment requirements*	
Initial investment amount	\$5,000
Additional investment amount	\$1,000 (or \$100 per month for regular savings plan)
Minimum withdrawal amount	\$1,000
Minimum balance	\$5,000

*If you are investing in the Fund through a Masterfund or Investor Directed Portfolio Service ('IDPS'), the minimums detailed above may not apply. You should refer to your Masterfund or IDPS operator's offer document. See 'If you invest through a Masterfund or IDPS' in Section 5 of the Additional Information Document for more information.

We will send you a statement confirming any transactions made by you at the time of the transaction (excluding those made using a regular savings plan).

Small account balances

If the current value of your account is below the minimum balance required, we may withdraw your units in full and pay you the proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of units you hold.

You should read important information about making investments and withdrawals and investing through a Masterfund or IDPS before making a decision. Go to the information about 'Making investments and withdrawals' in Section 1, and 'If you invest through a Masterfund or IDPS' in Section 5 of the Additional Information Document. The material relating to making investments and withdrawals and investing through a Masterfund or IDPS may change between the date when you read this PDS and the day when you acquire the product.

Distributions

Generally, distributions of net income are paid to you within 21 business days after the end of each calendar quarter (i.e. March, June, September and December).

Any net realised gains earned by the Fund are generally distributed at the end of the financial year. It is our standard practice to source distributions from net income and net

realised gains only. The distribution policy will be aligned to the ongoing earning capacity of the Fund.

Although it is not our intention to source future distribution payments from sources other than net income and net realised capital gains, we may do so if we consider it to be in the interests of our investors and where payment from that source is expected to be sustainable given the circumstances.

The amount of distribution income paid to you is based on the number of units you hold at the end of each distribution period.

You can reinvest your distribution. The distribution reinvestment price is the cum-distribution unit price at the end of the distribution period less the amount of distribution per unit payable, excluding any buy/sell spread. If you wish to reinvest your distributions, you should complete the relevant section of the Application Form.

3. Benefits of investing in the Altius Sustainable Bond Fund

The significant features and benefits of the Fund are:

- Contemporary investment process.
- Access to an active fixed interest manager.
- A diversified portfolio of Government and credit securities, with the potential to generate regular income paid quarterly.
- Access to the skills of a team of seasoned investment professionals who actively manage the portfolio throughout economic cycles.
- Prudent risk management.
- Expected low capital volatility.
- Access to a diversified Australian fixed interest portfolio that may align with the investor's personal and social values.

You should read important information about the Fund's constitution and Fund disclosures before making a decision. Go to the information about the 'Constitution' and 'Additional disclosure information' in Section 5 of the Additional Information Document. The material relating to the Fund's constitution and Fund disclosures may change between the date when you read this PDS and the day when you acquire the product.

4. Risks of managed investment schemes

What is risk?

'Risk' generally refers to the variability or volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments come with a degree of risk and different strategies carry different levels of risk, depending on the assets that make up the strategy. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a

range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk tolerance.

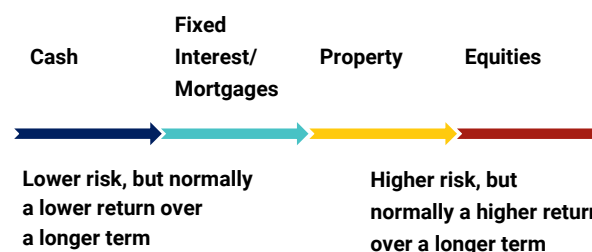
The main risks of investing include that the value of your investment will vary, the amount of income generated from the investment may fluctuate or decrease, or you may receive a lower than expected rate of return. Returns of the Fund are not guaranteed. The level of returns will vary, and there is a risk that investors may lose some of their money. Future returns may differ from past returns.

These risks can arise from various circumstances, including:

- changes to government policies and legislation that may have adverse impacts on registered managed investment schemes such as this Fund, investment markets or the tax treatment of investment returns ('regulatory risk'); and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive ('market risk').

In general, there is a relationship between the level of return generated by an investment and its level of risk. Assets with the highest potential long-term returns often also carry the highest level of risk.

The spectrum below shows the main types of investments according to their relationship between risk and return for you to consider.



If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower over the long term. Conversely, if your focus is on achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

Altius Sustainable Bond Fund

How we manage risk

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation and your investment objectives affect your selection of investments;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns.

Particular significant risks relevant to the Fund

Liquidity risk

Liquidity relates to how quickly you can access your money from an investment. Investments in direct property, for example, are generally less liquid than cash, due to the time it takes to sell property. Similarly, securities of small capitalisation companies may be less liquid than large capitalisation companies. This is a risk in all market conditions, however, especially in falling markets.

The Fund holds a certain amount of cash and other liquid assets to enable you to access your money in a relatively short amount of time. However, if the level of withdrawals exceeds the available liquid assets, it may take longer for you to access your money or the Fund may lose value from selling assets at an inopportune time.

Fixed interest risk

Fixed interest funds effectively lend money to Governments, companies, banks and other entities at either fixed or variable rates of interest, for a defined term. This is achieved by purchasing bonds, debentures or similar securities that have been issued by a borrower (issuer).

There is a risk that an issuer of a fixed interest security may not be able to make interest payments or to repay the principal, which may reduce the value of your investment and level of income. Changes in interest rates or changes to the credit-worthiness of issuers will also impact the value of your fixed interest investments.

As fixed interest securities are not generally traded on an exchange (like equities), in adverse market conditions these securities may become less liquid than under normal circumstances. This may impact on the performance of the Fund, and it may take longer for you to withdraw your money.

Derivatives risk

We may use derivatives such as futures in the management of the portfolio, but will generally not use derivatives for gearing purposes or speculative activities.

A derivative is a financial instrument which derives its value from another source, such as a share. The main types of derivatives are options, futures, and swaps.

Derivatives can expose a fund to risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security, index or financial obligation), basis risk (the risk where the value of the derivative moves independently from the value of the underlying security, index or financial obligation) and counterparty risk (the risk of loss arising from the failure of another party to meet contractual obligations).

Foreign currency risk

Some of the underlying investments may be in currencies other than the Australian dollar and can therefore be subject to foreign currency risk. To limit this risk, any foreign currency exposure is hedged into Australian dollars.

Unforeseen risk

Major external events including natural phenomena, pandemics, attacks or other like events may affect the Fund's investments or the underlying funds in which the Fund invests. These occurrences may result in a loss of capital, in turn reducing the price of Units and amounts that may be available for distribution by the Fund.

5. How we invest your money

Investment return objective

The Fund aims to outperform the benchmark (50% Reserve Bank of Australia Cash Rate and 50% Bloomberg AusBond Composite 0+Yr Index¹) after fees over rolling three year periods.

AUFM may vary the Fund's investment objective from time to time. AUFM will advise investors in writing of a change to the investment objective of the Fund.

¹ Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

Investment approach

The Fund is an 'active and diversified' fixed income fund which aims to optimise returns for investors in all market conditions.

Our investment strategy is to apply a high conviction approach and to seek opportunities which take advantage of the mispricing of bonds at all stages of the economic cycle.

In addition to satisfying our comprehensive fixed income investment process, securities considered for the Fund must satisfy criteria documented in the Cash and Fixed Interest Sustainability Policy ('Sustainability Policy') maintained by our Sustainability Advisory Committee ('Committee').

The Sustainability Policy contains principles which form the basis of a 'sustainability screen' to determine an investment universe of security issuers. The Committee has appointed an independent external research provider (Adviser) to monitor and rank eligible security issuers.

In ranking security issuers the Adviser considers factors including:

- environmental effects of the issuer;
- social consequences of their business; and
- quality of governance.

The Adviser's ranking forms the basis on which the Committee determines if a security may be included in the investible universe of the Fund.

A comprehensive risk management framework is employed, which includes diversification at the security and sector level.

The Fund has broad investment guidelines permitting investments in fixed interest securities of 0-100% and cash and similar investments of 0-100%. Furthermore, these investments may be with government or corporate entities in a range of 0-100%. These broad ranges assist in our aim to position the Fund to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment.

The Fund has the ability to borrow funds for day to day operational activities, however will generally not use gearing in implementing portfolio positions.

The Fund may gain exposure to certain assets by investing through other investment vehicles including those managed by a related entity.

Due to the nature of its investment strategy, we consider the level of investment risk in the Fund to be low to medium.

Who should invest in the Fund?

This Fund is typically suited to investors who:

- require an exposure to fixed income investments that offer relatively stable returns and regular income;
- want a relatively high level of capital preservation;
- have at least a three-year investment timeframe for holding their investment; and
- are looking for a fixed income fund that considers environmental, social and governance issues.

You should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund. It is important that you consider the risks of investing which are explained in Section 4 of this PDS.

Labour standards or environmental, social or ethical considerations

We assess and take into account labour standards, and environmental, social and ethical considerations when undertaking qualitative analysis of prospective investments for the portfolio.

These considerations are outlined in the Cash and Fixed Interest Sustainability Policy, which is available www.altiusam/media/altius/cashandfixedinterest/sustainabilitypolicy or calling 1300 997 774.

Switching to another Australian Unity fund

The Fund has only a single investment option and switching is not available. As we currently have no intention to add further investment options to this Fund, if you find your investment no longer suits your needs you should consider withdrawing and applying for another investment that better suits your investment requirements.

For the latest range of funds offered by Australian Unity, please refer to our website australianunity.com.au/wealth.

Target market summary

This product is likely to be appropriate for a consumer seeking capital preservation to be used as a core or satellite component within a portfolio where the consumer has a medium to long investment timeframe, low risk/return profile and needs daily access to capital.

6. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment.

The information can be used to compare costs between different simple managed investment schemes.

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
Management costs¹	
The fees and costs for managing your investment	Management costs of 0.49% of the net asset value of the Fund comprising: <ul style="list-style-type: none"> A management fee of 0.37% p.a. of the net asset value of the Fund.^{2,3} Recoverable expenses estimated to be 0.12% of the net asset value of the Fund for the financial year ending 30 June 2021.³ Estimated indirect costs of 0.00% of the net asset value of the Fund.⁴

- Management costs do not include the Fund's transactional and operational costs some of which are recovered via the buy/sell spreads. For more information refer to 'Transactional and operational costs' in Section 3 of the Additional Information Document.
- These fees may be negotiated for investors who qualify as a 'wholesale client' (as defined in the Corporations Act 2001). Refer to 'Wholesale clients' in Section 3 of the Additional Information Document.
- Management fee and recoverable expenses are expressed as a percentage of the net asset value.
- Refer to 'Indirect costs' in Section 3 of the Additional Information Document for more information on the Fund's indirect costs.

Warning: Other service fees, such as an advice fee, may apply if you have a financial adviser. You should refer to the Statement of Advice you receive from your financial adviser. Refer to 'Payments to your financial adviser' section for more information.

Example of annual fees and costs

This table gives an example of how the fees and costs in the Fund can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Altius Sustainable Bond Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.49% p.a. ¹	And , for every \$50,000 you have in the Fund you will be charged \$245.00 each year.
EQUALS Cost of Fund		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 \$245.00^{2,3}
		What it costs you will depend on the investment option you choose and the fees you negotiate.

- This is the expected Indirect Cost Ratio ('ICR') for the year to June 2022. The management fee changed from 0.57% to 0.37% on 1 July 2021. As a result, the ICR based on the Fund's net assets for the period 1 July 2020 to 30 June 2021 was 0.69%, but the indicative ICR on and after 1 July 2021 is 0.49%.
- This example assumes that the contribution of \$5,000 is made at the end of the year, and therefore no management costs for the contribution have been included.
- A buy/sell spread may apply to investments in and out of the Fund (see 'Buy and sell spreads and estimated transactional and operational costs' in Section 3 of the Additional Information Document).

ASIC provides a fees calculator on its 'moneysmart' website that you could use to calculate the effects of fees and costs on account balances.

Additional explanation of fees and costs

Fee changes

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees, without your consent, but will provide at least 30 days written notice of any increase.

Goods and Services Tax

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and service tax ('GST') less input tax credits (including approximate reduced input tax credits) that the Fund may be entitled to claim.

Payments to financial advisers and intermediaries

The Corporations Act 2001 contains provisions which regulate, and in some cases prohibit, payment to financial advisers and intermediaries by product issuers. Any arrangement by us to make payments or provide incentives to financial advisers and intermediaries will be entered into in compliance with the legislation.

Payments to your financial adviser

You can choose to make payments to your financial adviser through an 'advice fee' from your account.

This payment reflects your arrangement with your financial adviser as set out in the Statement of Advice provided by your financial adviser and is calculated and deducted (by way of a withdrawal of units, which may have taxation consequences) on a monthly basis. The advice fee is not a fee paid to us. You must notify us if you change or cancel your arrangement with your financial adviser.

For example, if your average monthly account balance is \$10,000 and you nominate an ongoing advice fee of 1.10% p.a. this equates to approximately \$9.17 per month. The dollar amount will vary depending upon the average value of your account each month.

You should read important information about fees and costs before making a decision. Go to the information about 'Fees and costs' in Section 3 of the Additional Information Document. The material relating to fees and costs may change between the date when you read this PDS and the day when you acquire the product.

7. How managed investment schemes are taxed

Australian taxation

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. Taxation law is complex and its application is dependent on your individual circumstances. We strongly recommend that you seek independent professional tax advice about how it applies in your specific circumstances.

At the date of the PDS the Fund is not a Managed Investment Trust (MIT) for tax purposes and therefore the Fund is not eligible to be an Attribution Managed Investment Trust (AMIT). The Fund itself should not pay tax on the basis that it will make a full distribution of all taxable income to investors each financial year. You will need to include in your income tax return your share of the Fund's taxable income and capital gains for each financial year.

You should read important information about taxation before making a decision. Go to the 'Additional information about taxation' in Section 4 of the Additional Information Document. The material relating to taxation may change between the date when you read this PDS and the day when you acquire the product.

8. How to apply

1. Read this Product Disclosure Statement and the Additional Information Document.
2. Complete the electronic Application Form online. If you prefer to fill in a paper based form, you can complete the Application Form together with your payment instructions by downloading the Application Form.
3. Submit the Application Form by one of the following methods:
 - Online: Pressing the 'Submit' button
 - Email: Sending your scanned Application Form and attachments to australianunitywealth_transactions@unitregistry.com.au
 - Post: Sending your completed Application Form and attachments to:

Australian Unity Wealth & Capital Markets
GPO Box 804
Melbourne VIC 3001

The application will be considered lodged when it is received in our Melbourne office on a Melbourne business day, prior to 3.00 pm.

The Application Form for the Fund can be found on our website at australianunity.com.au/wealth/asbf

Handling of applications

No interest will be paid on application amounts for the period from receipt until the issue of units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned by us unfilled. Any interest earned on the application amount during this period will be retained by the Fund and form part of its income for the benefit of investors. We may, in our absolute discretion, reject in whole or in part any application. We need not give any reason for the rejection.

Changing your mind

Generally, you have a 14-day cooling off period to decide if this investment is right for you. The 14-day period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after your units are issued.

Therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period.

The amount repaid to you is adjusted to reflect any increase/decrease in the value of the investment due to market movement. We will also deduct any taxes or duties

Altius Sustainable Bond Fund

payable and transaction costs. As a result, the amount returned to you may be less than your original investment. If you are an investor who qualifies as a 'wholesale client' as defined in the Corporations Act 2001, the cooling off period is not available to you.

Dispute resolution

We take complaints seriously and aim to resolve them as quickly as possible. If you would like to make a complaint you can call us on 1300 997 774, email us at australianunitywealth@unitregistry.com.au or write to us at the following address:

Australian Unity Wealth & Capital Markets
GPO Box 804
Melbourne VIC 3001

We will promptly acknowledge your complaint, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 30 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If you are not satisfied with our handling or resolution of your complaint then you may contact the Australian Financial Complaints Authority ('AFCA'). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

9. Other information

Related party transactions

All transactions we enter into in relation to the Fund including those with related parties are on arm's length commercial terms.

Entities within the Australian Unity Group may provide registry, accounting, asset management and tax services to the Fund for fees charged at a commercial rate.

Policies and guidelines are in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. Details of material related party transactions are reported yearly as part of the Fund's audited Annual Report. The Fund's Annual Reports are published on our website.

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

Australia's AML/CTF laws require us to adopt and maintain an anti-money laundering and counter-terrorism financing program ('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.

Privacy

We collect and manage your personal information in accordance with the law and the Australian Unity Privacy Policy, which can be accessed from our website - australianunity.com.au/privacy-policy. If you have any concerns or questions about the privacy of your personal information, please contact our Privacy Officer:

Email: investments@australianunity.com.au

Address: GPO Box 4360,
Melbourne VIC 3001

If you are not satisfied with how your concern was addressed, you may contact the Privacy Commissioner at:

Address: Office of the Australian Information
Commissioner,
GPO Box 5218, Sydney NSW 2001

Online: www.oaic.gov.au/privacy/privacy-complaints

28 October 2021

180
YEARS

**Australian
Unity**
Real Wellbeing

Additional Information Document

Issued by: Australian Unity Funds Management Limited ('AUFM', 'Responsible Entity') ABN 60 071 497 115, AFS Licence No. 234454

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The Additional Information Document ('AID') forms part of each Product Disclosure Statement ('PDS') for the funds listed in the table to the right.

The information provided is general information only and does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this AID, you should read the relevant PDS and this AID carefully in its entirety, and consider consulting a financial adviser and/or tax adviser.

Fees and charges set out in this AID, unless otherwise stated, are inclusive of goods and services tax ('GST') less input tax credits (including approximate reduced input tax credits) that the relevant Fund may be entitled to claim.

Visit our website for further information on each Fund, including updated continuous disclosure information, unit prices and performance. We recommend that you obtain and review this information before you invest.

Alternatively, you can call us on +61 3 9616 8687 or 1300 997 774 and we will send you the requested information free of charge.

In this document, each of the funds listed in the table below is referred to as a 'Fund'.

Fund	Australian Registered Scheme Number (ARSN)
Altius Sustainable Bond Fund	ARSN 601 618 179
Australian Unity A-REIT Fund	ARSN 140 274 728
Australian Unity Green Bond Fund – Retail and Ordinary classes	ARSN 648 842 371
Platypus Australian Equities Fund	ARSN 119 236 403
Platypus Systematic Growth Fund	ARSN 140 274 737
Pro-D Balanced Fund	ARSN 160 421 063
Pro-D Growth Fund	ARSN 160 421 161
Pro-D High Growth Fund	ARSN 160 420 986
Australian Unity Sustainable Short Term Income Fund – Retail and Ordinary classes	ARSN 606 111 166

Defined terms used in the AID have the same meaning as the defined terms used in each Fund's PDS unless defined in this document or if the context requires otherwise.

Contact Details

Address
Australian Unity Wealth & Capital Markets
GPO Box 804
Melbourne VIC 3001

Website
australianunity.com.au/wealth

Email
australianunitywealth@unitregistry.com.au

Investor Services
1300 997 774

Adviser Services
1300 997 774

Additional Information Document

1. Making investments and withdrawals

This table explains how to make an investment in a Fund. Applications can be made daily online, by email, or by post. The Application Form (available online and to download) can be found on our website at australianunity.com.au/wealth.

	What you need to send us	Cut off times	Important information
Initial investment	A completed Application Form; and completed payment details.	The Application Form and payment must be received by 3:00pm at our Melbourne office on a business day to be assessed for acceptance.	Review your application before you sign it, as incomplete applications may not be accepted.
Additional investment(s)	A completed Application Form; and completed payment details.	We will notify you of the effective application price and allotment date you receive in your Confirmation of Investment statement.	
Regular investments through the regular savings plan*	A completed Application Form including the relevant section to nominate the amount you will regularly invest; and your regular payment details.	The Application Form must be received five business days before the start of your contributions.	
Transferring your investment	A transfer form completed by both parties; and a completed Application Form for the Fund completed by the transferee.	Your standard transfer form and the Application Form must be received by 3:00pm on a business day for the transfer to be completed that day. Otherwise, the transfer will be completed the next business day.	If you choose to transfer only part of your investment you will be required to keep a minimum balance in your account – see table below.

* Minimum regular investments through a regular savings plan are \$100 per month, \$300 per quarter \$600 per half year and \$1,200 per year for all funds with a minimum initial investment of \$5,000.

Fund	Minimum initial investment ^{1,2}	Minimum additional investment ¹	Minimum transfer amount ¹	Minimum withdrawal ^{1,2}	Minimum balance ¹
Altius Sustainable Bond Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Australian Unity A-REIT Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Australian Unity Green Bond Fund – Retail	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Australian Unity Green Bond Fund – Ordinary	\$100,000	\$50,000	\$50,000	\$50,000	\$100,000
Platypus Australian Equities Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Platypus Systematic Growth Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Pro-D Balanced Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Pro-D Growth Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Pro-D High Growth Fund	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Australian Unity Sustainable Short Term Income Fund – Retail	\$5,000	\$1,000	\$1,000	\$1,000	\$5,000
Australian Unity Sustainable Short Term Income Fund – Ordinary	\$100,000	\$50,000	\$50,000	\$50,000	\$100,000

1. If you are investing through a Masterfund or Investor Directed Portfolio Service ('IDPS'), the minimums detailed above may not apply.
2. We reserve the right to vary minimum investment amounts and to accept or reject any investment (in whole or in part) at our discretion without explanation.
3. We may vary minimum withdrawal amounts at our discretion. If you are investing in a Fund through a Masterfund or IDPS, the minimum detailed above may not apply.

Suspension of applications

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications may be suspended. If this occurs, your application request will be processed using the next available unit price.

Withdrawing

This table explains what is required to make a withdrawal.

	What you need to send us	Cut off times	Important information
Withdrawals	A completed withdrawal form or letter requesting the amount you wish to withdraw signed by the account holders or the authorised signatories and your nominated Australian financial institution account details.	Your written request must be received by 3:00 pm at our Melbourne office on a business day to receive the withdrawal price effective for that day. Otherwise, you will receive the withdrawal price effective next business day.	Withdrawal proceeds will only be paid to a nominated Australian financial institution account. Cheque and third party payments are not available. Incomplete withdrawal requests may not be accepted. Refer to the information below for further details.

Additional information about withdrawals

We normally endeavour to pay a withdrawal request within five business days. Unless a longer period is required to liquidate a Fund's assets the maximum number of days to meet a withdrawal request for a Fund is stated in the table below.

Fund	Maximum number of days to meet withdrawal request
Altius Sustainable Bond Fund	21 days
Australian Unity A-REIT Fund	21 days
Australian Unity Green Bond Fund – Retail	21 days
Australian Unity Green Bond Fund – Ordinary	21 days
Platypus Australian Equities Fund	30 days
Platypus Systematic Growth Fund	21 days
Pro-D Balanced Fund	21 days
Pro-D Growth Fund	21 days
Pro-D High Growth Fund	21 days
Australian Unity Sustainable Short Term Income Fund – Retail	21 days
Australian Unity Sustainable Short Term Income Fund – Ordinary	21 days

Further information on risks that may impact on your ability to withdraw within these periods is outlined under 'Risks of managed investment schemes' in Section 4 of the relevant PDS.

Suspension of withdrawals

In exceptional circumstances, where it is considered to be in the best interest of investors, withdrawals may be suspended. If this occurs, your withdrawal request will be processed using the next available unit price.

Minimum balance

If, as a result of a withdrawal request, your account value falls below the minimum balance as set out in the table on the previous page we may treat the request as a request to withdraw in full and close your account. We reserve the right to vary this minimum at any time at our discretion.

2. Unit prices

How unit prices are calculated

Unit prices are generally calculated daily. The unit price is calculated by taking the value of a Fund's assets, and deducting the liabilities. The resulting value is then divided by the total number of units issued by a Fund.

Both the application and withdrawal price are calculated taking into account any applicable buy/sell spread. The buy/sell spread is a percentage amount applied to the unit price. It ensures that there is an equitable application of costs of buying and selling assets to investors entering or exiting a Fund.

If there are multiple classes of units in a Fund, the unit price for each class of units is calculated in the same manner, taking into consideration only the net asset value and the number of units on issue for that class at the relevant time. Where fees or costs relate to more than one class, the deduction is made for fees pertinent to the respective class of units.

Where the Responsible Entity applies its discretion to unit pricing using its powers under a Fund's constitution, it does so in accordance with its unit pricing policy. Investors may inspect a copy of the unit pricing policy at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a business day.

For daily unit price updates please visit our website or call us on 1300 997 774.

Additional Information Document

3. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

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 the 'Taxation' section of this document.

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

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment product		
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^{1,2}		
The fees and costs for managing your investment		Management costs are comprised of: Management fees - calculated and accrued daily but paid monthly in arrears from the relevant Fund. Performance fees - where the relevant Fund's performance meets the performance criteria and payable on a semi-annual or annual basis. ⁴ Recoverable expenses - are accrued as and when incurred by the relevant Fund and therefore the amount recovered each month may vary. Indirect costs - are payable from the assets of the Fund or any underlying fund as and when incurred.
Altius Sustainable Bond Fund:		
Australian Unity A-REIT Fund:	0.98% p.a. of the net asset value of the Fund	
Australian Unity Green Bond Fund – Retail:	0.40% p.a. of the net asset value of the Fund	
Australian Unity Green Bond Fund – Ordinary:	0.30% p.a. of the net asset value of the Fund	
Platypus Australian Equities Fund:	1.58% p.a. of the net asset value of the Fund ³	
Platypus Systematic Growth Fund:	0.53% p.a. of the net asset value of the Fund	
Pro-D Balanced Fund:	0.76% p.a. of the net asset value of the Fund	
Pro-D Growth Fund:	0.81% p.a. of the net asset value of the Fund	
Pro-D High Growth Fund:	0.85% p.a. of the net asset value of the Fund	
Australian Unity Sustainable Short Term Income Fund - Retail:	0.30% p.a. of the net asset value of the Fund	
Australian Unity Sustainable Short Term Income Fund - Ordinary:	0.20% p.a. of the net asset value of the Fund.	
Service fees		
Switching fee The fee for changing investment options		Not applicable

1 Management costs do not include the relevant Fund's transactional and operational costs, some of which are recovered via the buy/sell spreads. For more information refer to 'Buy and sell spreads and estimated transactional and operational costs' under the heading 'Additional explanation of fees and costs'.

2 Management fee and recoverable expenses are expressed as a percentage of the net asset value of the Fund. For more information about management costs see 'Management costs' under the heading 'Additional explanation of fees and costs'.

3 A performance fee is payable where the relevant Fund's performance meets the performance criteria. The performance of the relevant Fund is measured against the relevant performance criteria daily. If a Fund has outperformed the performance fee is accrued in that Fund's unit price to ensure all new and redeeming investors share that Fund's accrued performance fee. Where a Fund meets its performance criteria, the performance fee is payable on a semi-annual or annual basis. The performance fee included is the estimated performance fee, which has been calculated on the average of actual annual performance fees charged for the past three financial years to 30 June 2021.

4 For more information about performance fees, see 'Performance fees' under the heading 'Additional explanation of fees and costs'.

Additional Information Document

Example of annual fees and costs

This table gives an example of how the fees and costs in the Australian Unity A-REIT Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE- Australian Unity A-REIT Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.98% p.a. ¹	And , for every \$50,000 you have in the Australian Unity A-REIT Fund you will be charged \$490.00 each year.
EQUALS Cost of Fund		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: \$490.00^{2,3} What it costs you will depend on the investment option you choose and the fees you negotiate.

1 This is the Indirect Cost Ratio ('ICR') based on the Fund's net assets for the period 1 July 2020 to 30 June 2021.

2 A buy/sell spread may apply to investments in and out of the Fund (see 'Buy and sell spreads and estimated transactional and operational costs').

3 This example assumes that the contribution of \$5,000 is made at the end of the year, and therefore no management costs for the contribution have been included.

Additional explanation of fees and costs

Management costs

Management costs for each Fund comprise a management fee, performance fee, recoverable expenses and indirect costs. They do not include transactional and operational costs. Further information about performance fees, recoverable expenses, indirect costs and transactional and operational costs are set out below.

The table below provides a summary of each Fund's estimated management costs which are expressed as a percentage of the net asset value of the relevant Fund. The figures in the table relate to the 12 months to 30 June 2021.

Fund	Base management fee (%p.a.)	Estimated performance fee (%p.a.)	Estimated recoverable expenses (%p.a.)	Estimated indirect costs (%p.a.)		
				Estimated performance-related expenses	Other estimated indirect costs ¹	Total estimated management costs (%p.a.)
Altius Sustainable Bond Fund	0.37%	N/A	0.12%	N/A	0.00%	0.49%
Australian Unity A-REIT Fund	0.86%	N/A	0.12%	N/A	0.00%	0.98%
Australian Unity Green Bond Fund - Retail	0.40%	N/A	0.00%	N/A	0.00%	0.40%
Australian Unity Green Bond Fund - Ordinary	0.30%	N/A	0.00%	N/A	0.00%	0.30%
Pro-D High Growth Fund	0.75%	N/A	0.05%	0.00%	0.05%	0.85%
Pro-D Balanced Fund	0.65%	N/A	0.05%	0.00%	0.06%	0.76%
Pro-D Growth Fund	0.70%	N/A	0.05%	0.00%	0.06%	0.81%
Platypus Australian Equities Fund	0.76%	0.70% ²	0.12%	N/A	0.00%	1.58%
Platypus Systematic Growth Fund	0.41%	N/A	0.12%	N/A	0.00%	0.53%
Australian Unity Sustainable Short Term Income Fund - Retail	0.30%	N/A	0.00%	N/A	0.00%	0.30%
Australian Unity Sustainable Short Term Income Fund - Ordinary	0.20%	N/A	0.00%	N/A	0.00%	0.20%

1 Indirect costs are payable from the assets of the Fund or any underlying Fund as and when incurred.

2 The estimated performance fee for the Platypus Australian Equities Fund is based on our reasonable estimate of the prospective performance fee. The estimated performance fee has been calculated on the average of actual annual performance fees charged for the past three financial years to 30 June 2021.

Additional Information Document

Recoverable expenses

We are entitled to reimbursement for, or have a Fund pay, all expenses and taxes we may incur in the proper performance of our duties.

Recoverable expenses are expenses generally incurred in the day-to-day operation of a Fund and include, for example: registry costs, legal, custodian services, compliance and related administration functions, accounting, printing, audit and asset management fees. These costs are shown in the table under 'Management costs'.

The above estimates are expressed as a percentage of the net asset value relating to a Fund for the financial year ending 30 June 2021. Recoverable expenses are accrued as and when incurred by a Fund, and therefore the amount recovered each month may vary.

This estimate does not include every type of cost that might be incurred by a Fund. Some of these might include:

- expenses that would normally be incurred by a direct investor that relate to the buying and selling of assets;
- abnormal operating expenses which are due to abnormal events such as the cost of running investor meetings. These expenses are infrequent and are paid out of a Fund; and
- costs of borrowing (if any), including interest expenses.

You may also incur costs directly associated with transactions made on your account, such as government taxes, stamp duty and bank fees. These costs will be directly deducted from your account by reducing the number of units you hold within a Fund. We are unable to estimate these costs until they are incurred.

Indirect costs

Indirect costs are generally amounts that the Responsible Entity knows, or estimates, will reduce a Fund's returns. The costs are paid from a Fund's assets, or the assets of interposed vehicles in which a Fund may invest from time to time. Typically, an interposed vehicle will be another fund or investment companies in which the Fund has invested.

The costs may include reasonable estimates of:

- fees and costs charged by an interposed vehicle, including management fees, expense recoveries and performance related fees; and
- if applicable, the costs of investing in over-the-counter ('OTC') derivatives (incurred either by a Fund or an interposed vehicle in which a Fund invests), which may be used by a Fund to gain economic exposure to assets.

Where a Fund invests in other funds managed by us

A Fund may invest in other funds or investment companies ('interposed vehicles') managed or operated by us or our associates. Where this occurs, management fees will not be taken from each fund. Instead, our management fees will be adjusted to reflect each Fund's fees described above. This adjustment does not apply to performance fees.

For example, if a Fund invests in another fund managed by Australian Unity which charges a management fee of 0.40% p.a., the Fund would reduce its base management fee proportionately on that asset.

However, if the Fund invested in a fund managed by Australian Unity which charged a performance fee, the Fund would not reduce its performance fee (if any) to reflect the performance fee of the underlying fund.

Where a Fund invests in other funds managed by an external party

Where a Fund invests in other funds or investment companies (i.e. the interposed vehicles) managed by third parties not related to us, any management fees charged by those parties will be reflected in the performance of the relevant Fund and our management fee will not be adjusted to reflect the management fees of such interposed vehicles. The exception to this are the Pro-D funds which typically rebate the management fees of other funds and interposed vehicles.

Performance fees

The following Fund is entitled to apply a performance fee:

Fund	Performance hurdle	Performance fee	Relevant period
Platypus Australian Equities Fund	S&P/ASX 300 Accumulation Index performance, plus 1% p.a. before fees and expenses.	15.38% of outperformance over performance hurdle	Each 6 months ending 31 December and 30 June

Performance fee criteria

Unlike management fees, a performance fee (if applicable) is only paid if the performance of a Fund meets certain criteria. For the relevant period, a Fund is assessed against the below criteria:

1. whether a Fund has outperformed its performance hurdle (before management fees and recoverable expenses); and
2. whether a Fund has recouped any underperformance relative to its performance hurdle, since the last performance fee was paid.

In these circumstances, a performance fee of outperformance over the relevant performance hurdle is payable.

Measuring the performance hurdle

For the purpose of comparing a Fund to its performance hurdle, the daily percentage movement in a Fund's performance is compared relative to the performance of its performance hurdle.

How the performance fee is calculated

A performance fee is payable for the period only when the performance fee criteria noted above are met.

For the purposes of the performance fee calculations, the performance of a Fund is determined on a continual or 'rolling' basis. The performance of a Fund is measured each business day, to assess a Fund's performance against its performance hurdle. The performance of a Fund means any movement in the overall value of a Fund¹, expressed as a percentage. If a Fund has outperformed its performance hurdle, a performance fee of the outperformance² is accrued (as a liability) in a Fund's daily unit price. This ensures that new investments and redeeming investments share in the accrued performance fee.

1. The performance of a Fund is calculated in a way that excludes daily capital movements which do not relate to performance, such as applications, distributions and withdrawals.
2. Underperformance of the benchmark is not accrued in the Fund's unit price. For more information refer to 'How underperformance is recouped'.

Additional Information Document

How underperformance is recouped

If a Fund underperforms the performance hurdle, the underperformance is recorded as a performance shortfall ('Shortfall').

If a Fund continues to underperform, the underperformance is continuously recorded and is to be used as an offset, i.e. previous underperformance must be recouped by Fund outperformance before a performance fee can be accrued and paid. If at the end of the relevant period a Shortfall in performance is recorded for the period of determination, the Shortfall is carried forward until such time the Shortfall is recouped through a Fund outperforming its performance hurdle.

An example of how the performance fee relates to your investment in a Fund

The following table shows an example of how a performance fee would impact an investor's \$50,000 investment in a Fund, based on certain performance assumptions, as shown. This is merely an example for demonstration purposes, and does not represent a forecast.

For simplicity, the example provided commences three days prior to the end of a financial year, and does not take into account the buy spread or additional investments. Fund performance takes into account management fees and performance fees.

Performance fee Example	Day 1	Day 2	Day 3
Opening Balance	\$50,000.00	\$50,750.00	\$50,800.75
Daily Performance %	1.50%	0.10%	-0.10%
Daily Performance \$	\$750.00	\$50.75	-\$50.80 ¹
Closing Balance	\$50,750.00	\$50,800.75	\$50,749.95
Performance hurdle			
Daily Performance % (+/-)	1.30%	1.20%	-1.30%
Performance hurdle daily performance \$	\$650.00	\$607.80	-\$666.35 ¹
Over/under performance comparative to performance hurdle \$	\$100.00	-\$557.05 ¹	\$615.55
Performance fee daily accrual calculation 15.38%	\$15.38	-\$85.65 ¹	\$94.64
Cumulative performance fee payable	\$15.38	-\$70.27 ¹	\$24.37

¹ Underperformance of the benchmark is not accrued in the Fund's unit price. Instead it is recorded separately as a Shortfall which must be recouped before a performance fee can be accrued or paid.

When the performance fee is paid

The performance fee is deducted from a Fund at the end of the relevant period in which it was earned and paid in arrears.

Indirect Cost Ratio ('ICR')

The ICR is a useful measure of the ongoing fees and expenses of investing in a Fund. It is expressed as a percentage of the average size of a Fund's net assets over a financial year.

The ICR shows the cost of investing in the Fund compared to investing directly in assets. It is calculated by dividing the total management costs for a Fund by the average size of the Fund's net assets over the period. The ICR does not include transactional and operational costs (such as buy/sell spreads and brokerage), borrowing costs and costs relating to a specific asset that an investor would incur if they invested directly in an asset (e.g. government charges)

The ICR for the financial year ('period') ended 30 June 2021 for each Fund is stated in the table below.

Fund	ICR
Altius Sustainable Bond Fund ¹	0.69%
Australian Unity A-REIT Fund	0.98%
Australian Unity Green Bond Fund – Retail	0.40%
Australian Unity Green Bond Fund – Ordinary	0.30%
Platypus Australian Equities Fund ²	1.17%
Platypus Systematic Growth Fund	0.53%
Pro-D Balanced Fund	0.76%
Pro-D Growth Fund	0.81%
Pro-D High Growth Fund	0.85%
Australian Unity Sustainable Short Term Income Fund – Retail	0.30%
Australian Unity Sustainable Short Term Income Fund – Ordinary	0.20%

¹ Management fee changed from 0.57% to 0.37% on 1 July 2021. As a result, the 2021 ICR for Altius Sustainable Bond Fund was 0.69%, but the indicative ICR on and after 1 July 2021 is 0.49%.

² This Indirect Cost Ratio (ICR) is based on the Fund's net assets for the period 1 July 2020 to 30 June 2021 and incorporates the actual performance fee for the financial year ended 30 June 2021 which was 0.29% of the net asset value of the Fund.

Wholesale clients

From time to time, we may rebate some of our fees (or issue units in a Fund) to 'wholesale clients' as defined under the *Corporations Act 2001* or to employees within the Australian Unity Group so that they pay reduced fees. We do not enter into individual fee arrangements with other investors.

Transaction and operational costs

In managing the investments of a Fund or a Fund's underlying investments, transaction costs such as brokerage, settlement costs, clearing costs and government charges may be incurred. Changes in a Fund's investment portfolio (or when new investments into or redemptions out of a Fund are paid) can also incur fees.

Transaction and operational costs incurred from changing a Fund's investment portfolio are generally paid out first from amounts retained through the buy/sell spread. Each Fund's buy/sell spread is set out below under 'Buy and sell spreads and estimated transactional and operational costs'.

However, if the amount retained through the collection of a Fund's buy/sell spread is not sufficient to offset transactional and operational costs, these costs are instead paid out of a Fund's assets as and when incurred. Each Fund's transactional and operational costs during the financial year ended 30 June 2021 are set out under 'Buy and sell spreads and estimated transactional and operational costs' in the table on page 8.

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Buy and sell spreads and estimated transactional and operational costs

The buy and sell spread aims to ensure that each investor shares the transaction costs associated with their investment decision to either enter or exit a Fund. The amount is:

- in the case of a buy spread, an extra cost applied on entry to a Fund and the sell spread is a cost applied on exit from a Fund;
- an estimate to cover the Fund's transactional and operational costs;
- not an additional fee paid to the Responsible Entity but is retained in a Fund to cover those transaction costs;
- not applied to the reinvestment of distributions.

Buy and sell spreads may change from time to time, please refer to australianunity.com.au/wealth for the most up-to-date buy and sell spreads.

The transactional and operational costs in the table below have been estimated for the financial year ended 30 June 2021 for each of the Funds. These costs are not new to the Funds and are typical for a Fund to conduct its operations.

The transactional and operational costs are not included in the management costs set out on page 5.

Fund	Buy spread	Sell spread	Estimated Gross transactional and operational costs	Less estimated net buy/sell spread recovered	Estimated net transactional and operational costs borne by the Fund
Altius Sustainable Bond Fund	0.00%	0.10%	0.08%	0.02%	0.06%
Australian Unity A-REIT Fund	0.20%	0.20%	0.09%	0.00%	0.09%
Australian Unity Green Bond Fund – Retail	0.00%	0.00%	0.00%	0.00%	0.00%
Australian Unity Green Bond Fund – Ordinary	0.00%	0.00%	0.02%	0.00%	0.02%
Pro-D High Growth Fund	0.20%	0.20%	0.10%	0.02%	0.08%
Pro-D Balanced Fund	0.20%	0.20%	0.13%	0.04%	0.09%
Pro-D Growth Fund	0.20%	0.20%	0.11%	0.03%	0.08%
Platypus Australian Equities Fund	0.20%	0.20%	0.17%	0.11%	0.06%
Platypus Systematic Growth Fund	0.20%	0.20%	0.14%	0.04%	0.10%
Australian Unity Sustainable Short Term Income Fund – Retail	0.00%	0.05%	0.00%	0.00%	0.00%
Australian Unity Sustainable Short Term Income Fund - Ordinary	0.00%	0.05%	0.00%	0.01%	-0.01%

Other charges and costs

You may also incur costs directly associated with transactions made on your account, such as government taxes, stamp duty and bank fees. These costs will be directly deducted from your account by reducing the number of units you hold within a Fund. We are unable to estimate these costs until they are incurred.

Borrowing costs

In addition, a Fund's underlying investments may borrow to finance new and existing assets, to develop and maintain those assets, and to provide liquidity managing the underlying fund's working capital. The costs involved with borrowing may be recovered from a Fund's underlying investments. Such costs may include debt arranger fees, loan establishment fees and hedging costs.

Borrowing costs are not included in the management costs set out on page 5.

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Maximum fees

The maximum fees that we are allowed to charge a Fund (excluding any GST) are stated in each Fund's constitution and are as follows:

Fund	Maximum ongoing management fee	Maximum contribution/entry fee	Maximum withdrawal/exit fee	Maximum performance fee	Cooling off fee
Altius Sustainable Bond Fund	5.00% p.a. of the total value of all Trust property, calculated in accordance with the constitution of the Fund.	While we do not charge an entry fee, the constitution allows a maximum entry fee of 5.00% of the application monies.	While we do not charge an exit fee, the constitution allows a maximum exit fee of 5.00% of the withdrawal request.	While we do not charge a performance fee the constitution allows for a maximum performance fee of 50% of the return above a relevant index, calculated and payable in accordance with the Constitution of the Fund.	While we do not charge a cooling off fee, the constitution allows the Responsible Entity to deduct money from those funds returned to an investor who exercises cooling off rights. The amount that is deducted is not limited but must be for reasonable administrative and transaction costs.
Australian Unity A-REIT Fund	5.00% p.a. of the net or gross asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 5.00% of the application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 5.00% of the withdrawal request.	While we currently do not charge a performance fee, the constitution allows for a maximum performance fee of 50% of the return above a relevant index.	N/A
Australian Unity Green Bond Fund (Retail and Ordinary)	5.00% p.a. of the gross asset value of the Fund, as determined by AUFM.	While we do not charge an entry fee, the constitution allows a maximum entry fee of 5.00% of the application monies.	While we do not charge an exit fee, the constitution allows a maximum exit fee of 5.00% of the withdrawal request.	N/A	While we do not charge a cooling off fee, the constitution allows the Responsible Entity to deduct money from those funds returned to an investor who exercises cooling off rights. The amount that is deducted is not limited but must be for reasonable administrative and transaction costs.
Platypus Australian Equities Fund	4.00% p.a. of the net asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 6.00% of application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 3.00% of the withdrawal request.	While the performance fee is currently 15.38% of the Fund's excess performance over the relevant index, the constitution allows for a maximum performance fee of 50% of the return above a relevant index, calculated and payable in accordance with the constitution of the Fund.	While we do not charge a cooling off fee, the constitution allows the Responsible Entity to deduct money from those funds returned to an investor who exercises cooling off rights. The amount that is deducted is not limited but must be for reasonable administrative and transaction costs.
Platypus Systematic Growth Fund	5.00% p.a. of the net or gross asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 5.00% of the application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 5.00% of the withdrawal request.	While there is currently no performance fee in place for the Fund, the constitution allows for a maximum performance fee of 50% of the return above a relevant index, calculated and payable in accordance with the constitution of the Fund.	While we do not charge a cooling off fee, the constitution allows the Responsible Entity to deduct money from those funds returned to an investor who exercises cooling off rights. The amount that is deducted is not limited but must be for reasonable administrative and transaction costs.

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Fund	Maximum ongoing management fee	Maximum contribution/entry fee	Maximum withdrawal/exit fee	Maximum performance fee	Cooling off fee
Pro-D Balanced Fund	5.00% p.a. of the net or gross asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 5.00% of the application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 5.00% of the withdrawal request.	While there is currently no performance fee in place for the Fund, the constitution allows for a maximum performance fee of 50% of the return above a performance hurdle.	N/A
Pro-D Growth Fund	5.00% p.a. of the net or gross asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 5.00% of the application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 5.00% of the withdrawal request.	While there is currently no performance fee in place for the Fund, the constitution allows for a maximum performance fee of 50% of the return above a performance hurdle.	N/A
Pro-D High Growth Fund	5.00% p.a. of the net or gross asset value of the Fund, as determined by AUFM.	While we do not charge a contribution fee, the constitution allows a maximum contribution fee of 5.00% of the application monies.	While we do not charge a withdrawal fee, the constitution allows a maximum withdrawal fee of 5.00% of the withdrawal request.	While there is currently no performance fee in place for the Fund, the constitution allows for a maximum performance fee of 50% of the return above a performance hurdle.	N/A
Australian Unity Sustainable Short Term Income Fund (Retail and Ordinary)	5.00% p.a. of the gross asset value of the Fund, as determined by AUFM.	While we do not charge an entry fee, the constitution allows a maximum entry fee of 5.00% of the application monies.	While we do not charge an exit fee, the constitution allows a maximum exit fee of 5.00% of the withdrawal request.	N/A	N/A

For actual fees charged, refer to 'Fees and costs' in Section 6 of the relevant PDS. There is no limit in a Fund's constitution on the amount that we can recover from the Fund for expenses incurred in the proper performance of our duties.

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4. Additional information about taxation

Australian taxation

Certain tax implications of investing in a Fund are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances.

Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in a Fund relevant to your specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their investment for the purpose of realising a long-term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those investors who hold their investment in a Fund on revenue account, as an isolated investment made with profit making intent or as trading stock. It is based on our interpretation of the current Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

While you hold your investment

The following Funds have each elected to be an Attribution Managed Investment Trust ('AMIT') for tax purposes. These Funds should not pay tax on the basis that they will attribute trust components to investors each financial year on a fair and reasonable basis.

Fund
Australian Unity Sustainable Short Term Income Fund (Retail and Ordinary)
Australian Unity A-REIT Fund
Platypus Australian Equities Fund
Platypus Systematic Growth Fund
Pro-D Balanced Fund
Pro-D Growth Fund
Pro-D High Growth Fund

At the date of this AID, the following Funds are not Managed Investment Trust ('MIT') for tax purposes and therefore the Funds are not eligible to be an AMIT. These Funds should not pay tax on the basis that they will make a full distribution of all taxable income to investors each financial year.

Fund
Altius Sustainable Bond Fund
Australian Unity Green Bond Fund (Retail and Ordinary)

You will need to include in your income tax return your share of a Fund's taxable income for each financial year. This applies regardless of whether the distribution is received in cash during that income year or a later year, and may include amounts that have been reinvested.

To assist you to complete your tax return, you will receive an attribution managed investment trust member annual ('AMMA') statement or an annual tax statement from us. This statement will provide you with the components to be included in your tax return. The sum of these components may differ to the amount of cash distribution you receive.

Tax losses (if any) generated by a Fund cannot be passed onto investors. However, provided specific requirements are satisfied, a Fund should be able to carry forward tax losses, offsetting them against income generated in a later income year.

Dividends

Where a Fund receives franked distributions in relation to investments in Australian equities, you may receive as part of your distribution franking credits (subject to relevant franking credit integrity measures, such as the 45-day holding period rule). These franking credits will not represent part of your cash receipts but will need to be included in your tax return as part of your taxable income. Depending on your individual circumstances, these may be available to offset your tax liability or be paid as a refund.

Foreign income

Where a Fund derives foreign sourced income, Australian tax resident investors may be able to claim a Foreign Income Tax Offset ('FITO') against their Australian income tax liability in respect of their share of any foreign tax paid on that income. FITO's not utilised in the income year in which they are derived will be forfeited and cannot be carried forward to a later year.

Capital gains

Where a Fund derives net capital gains to which you become entitled, you may need to include these amounts in your assessable income. Investors will generally be required to double any discounted capital gains. A capital gains tax ('CGT') discount may then be available for some investors, as outlined below.

When you withdraw

When you fully or partially withdraw or redeem your investment in a Fund, you are treated as having disposed of your investment, and as a result, any net gain derived on disposal may be included in your taxable income under the CGT provisions. This may include where you move between Funds or transfer your units in a particular Fund to another investor.

An investor will make a capital gain in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal exceed the investor's cost base. Alternatively, an investor will make a capital loss in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal of the investment are less than the CGT reduced cost base in that investment.

In determining the cost base or reduced cost base of your investment in a Fund, you will need to take into account any returns of capital and certain tax components of distributions that will increase or decrease the cost base of your investment.

In circumstances where the amount of cash distribution from an AMIT is more than your share of the Fund's taxable income in an income year, your CGT cost base of the investment in the Fund should decrease by the difference ('AMIT cost base net amount – excess'). These amounts may have the effect of increasing your capital gain or decreasing your capital loss upon disposal of your investment.

In addition, in circumstances where the amount of cash distribution from an AMIT is less than your share of the Fund's taxable income in an income year, your CGT cost base of the investment in the Fund should increase by the difference ('AMIT cost base net amount – shortfall'). This amount should have the effect of decreasing your capital loss upon disposal of your investment.

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Where the Fund is an AMIT, the AMMA statement you receive from the Fund will state the amounts that the Responsible Entity reasonably estimates to be the 'AMIT cost base net amount – excess' and the 'AMIT cost base net amount – shortfall'.

Where the Fund is not an AMIT, you will need to take into account any tax deferred distributions received in respect of your investment. These amounts may have the effect of increasing your capital gain or decreasing your capital loss upon disposal of your investment. Amounts that represent the CGT concession amount will have no impact on the cost base of your investment in the Fund.

Any net capital loss resulting from the disposal of your investment may be able to be used to reduce capital gains derived in that or future income years.

Investors that are individuals and trusts may be entitled to a CGT discount that reduces their capital gains by 50% where they have held their investment for more than 12 months. Investors that are complying superannuation funds may be entitled to a 33.33% reduction of their CGT liability. No such discount is available to corporate investors.

Non-residents

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations on a Fund to withhold tax on distributions paid to non-residents for Australian tax purposes.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rates. The rates may vary according to the components of the distribution and the country in which you reside.

Tax File Number withholding tax

If you are an Australian resident, you may choose whether or not to provide a Tax File Number ('TFN') or an Australian Business Number ('ABN'). If neither is quoted and no relevant exemption information is provided, a Fund is required to withhold tax on your income distributions at the highest marginal tax rate, plus levies.

Goods and Services Tax ('GST')

The acquisition, redemption and transfer of units in a Fund should not be subject to GST. Distributions made by a Fund should also not give rise to any GST consequences.

Australian tax reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. The Responsible Entity of each Fund will continue to monitor the tax reform process and its impact on each Fund. It is an investor's responsibility to monitor tax reform developments that may impact on their investment in a Fund.

5. Other information

Constitution

Each Fund is a registered managed investment scheme governed both by a constitution and a compliance plan.

The statements in each Fund's PDS and the AID only provide a summary of some of the provisions of each Fund's constitution. You can inspect a copy of a Fund's constitution at our Melbourne office at any time between 9:00am and 5:00pm on a business day.

AUFM is entitled to the benefit of various indemnities under each Fund's constitution, which means that it has limited its liability for acting as the Responsible Entity.

Automatic Exchange of Information

We intend to meet any requirements imposed on our funds under Australian legislation designed to give effect to Automatic Exchange of Information ('AEOI') regimes.

Australia's obligations under AEOI regimes include legislation designed to give effect to the Foreign Account Tax Compliance Act ('FATCA') and the Organisation for Economic Co-operation and Development's ('OECD') Common Reporting Standard ('CRS'). As such, we may collect certain information from you, report payments made in respect of your investment and retain information to meet record keeping requirements. It is recommended you consult with your tax advisor to discuss the impact these AEOI regimes may have on you.

Additional disclosure information

A range of communications is provided to keep you informed about your investment in a Fund.

If a Fund is a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. As a disclosing entity, announcements will be issued under continuous disclosure obligations for changes relevant to your investment and to update information contained within the relevant PDS. We will also publish up to date information about the performance of each Fund (including returns and asset allocations), and the latest annual report. These will be available on our website. While it is relevant information, you should not rely on past performance as an indicator of future performance.

We can also provide you with a copy (free of charge) of the annual report most recently lodged with ASIC and any half-yearly report lodged after the annual report is lodged and before the date of the relevant PDS and any continuous disclosure notices given after the annual report is lodged and before the date of the relevant PDS. These documents are also available on our website australianunity.com.au/wealth. Copies of documents lodged with ASIC in relation to the Fund may be obtained from ASIC.

You can view your account balance, transaction history and account details online via a secure login at our website australianunity.com.au/wealth. You can also update your contact details online if they change. In addition, you can request paper statements to be sent to your address by contacting Investor Services.

If you invest through a Masterfund or IDPS

AUFM has authorised the use of each Fund's PDS and AID for investors considering placing an investment through a Masterfund or IDPS.

If you are investing in a Fund through a Masterfund or IDPS you do not yourself become an investor in the Fund. Instead, as the Masterfund or IDPS operator is investing on your

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behalf, it acquires the rights of an investor. In most cases, references to 'you' and 'your' in the PDS (for example receiving distribution income, reinvestment of distribution income and redemptions) is a reference to the 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 each Fund's constitution will not be directly relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the Masterfund or IDPS operator, not us. Enquiries about each Fund should be directed to your Masterfund or IDPS operator.

The Masterfund or IDPS operator can exercise (or decline to exercise) those rights in accordance with the arrangements governing the operation of the Masterfund or IDPS.

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YEARS



Directory

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