



Additional Information to the Product Disclosure Statement

# Regnan Global Equity Impact Solutions Fund

## Class Z

APIR Code: PDL3956AU

Issued 9 August 2021

### Read this

The information in this document forms part of the Product Disclosure Statement for Class Z Units of the Regnan Global Equity Impact Solutions Fund (Class Z Units or the Fund) dated 9 August 2021 (PDS). You should read this information together with the PDS before making a decision to invest into the Fund. References in this document to 'Units', 'Class Z Units' or the 'Fund' refers to the 'Class Z' class of units in the registered managed investment scheme, the Regnan Global Equity Impact Solutions Fund, ARSN 645 981 853 (the Scheme). All rights and entitlements of a unit relate to the rights, entitlements, liabilities and other amounts referable to Class Z Units. No other fund, trust or class of units is offered in this document. This additional information is general information only and does not take into account your personal financial situation or needs.

## 1. Restrictions on withdrawals

**There may be circumstances where your ability to withdraw from the Fund is restricted. The following text contains further information on restrictions on withdrawals and should be read in conjunction with the PDS.**

If the Scheme is illiquid (as defined in the Corporations Act), withdrawals from the Fund will only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do, you are only able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, the requests will be satisfied proportionately amongst those investors wishing to withdraw from the Fund. Under the Corporations Act, a scheme is illiquid if it has less than 80% liquid assets (generally cash and marketable securities).

The constitution of the Scheme also contains specific provisions that provide us with powers in relation to withdrawals. The specific provisions in the constitution are summarised below.

Provision	Explained
<b>Payment of withdrawals by transfer of assets</b>	We may transfer assets to you rather than pay cash in satisfaction of all or any part of your withdrawal request. The assets (together with any cash paid to you) must be of equal value to the total amount of your withdrawal request based on a valuation which is consistent with the range of ordinary commercial practice for valuation of assets of that type and is reasonably current, having regard to the type of assets involved and prevailing market conditions. We may require you to pay for the costs involved in the transfer of assets or we may deduct such costs from the amount payable to you.
<b>Delay in realising assets</b>	If, after taking all reasonable steps, we are unable to realise sufficient assets to satisfy a withdrawal request due to circumstances beyond our control such as restricted or suspended trading in the market for an asset or if we believe it is not in the best interests of unitholders to realise assets, the period allowed to satisfy withdrawal requests may be extended by the number of days during which the circumstances apply.
<b>Spreading of withdrawals</b>	We may also spread withdrawal requests over up to 10 business days where we receive withdrawal requests on any day for 10% or more of the units of the Scheme on issue, or a single unitholder on any day makes one or more withdrawal requests for 5% or more of the units of the Scheme on issue.

---

**Suspension of withdrawals**

We may delay or suspend withdrawals from the Fund request where we consider that it is in the best interests of members of the Scheme to do so. This may include in circumstances where we are unable to realise sufficient assets to determine the value of assets in the Fund due to circumstances outside our control (such as for example, where there is restricted or suspended trading in the market for an asset or an emergency or similar state of affairs), there is a delay on payments received from assets in which the Fund invests, withdrawal requests are received for more than 10% of the Scheme or there are significant withdrawals which we believe would have a disadvantageous effect on the remaining members of the Scheme, or where the Scheme becomes illiquid or other circumstances where we believe it is in the interests of members of the Scheme to suspend withdrawals in accordance with the Scheme's constitution.

If we do so, the period we take to satisfy withdrawal requests will be extended by the period of the suspension. The exit price will be determined as at the next time we value the Fund after the suspension is lifted.

---

## 2. Indirect investors

**The following text contains further information on indirect investors and should be read in conjunction with the PDS.**

An investment in the Fund offered under the Fund's PDS through a master trust or wrap account does not entitle you to a direct interest in the Fund or Scheme.

This means that the rights that apply to a person who invests directly in the Fund are not available to indirect investors but rather, to the operator or custodian of the master trust or wrap account. The operator or custodian of the master trust or wrap account will be recorded in the register as the investor and will be the person who exercises the rights and receives the benefits of an investor.

Persons who invest through a master trust or wrap account may be subject to different conditions from those referred to in the PDS, particularly in regard to:

- how to transact on your investment (initial and additional investments and withdrawals are determined by the master trust or wrap account operator);
- cooling-off period and rights (no cooling-off rights apply to any investments in the Fund acquired through a master trust or wrap account operator);
- timing of distributions, withdrawals and the processing of transactions are determined by the master trust or wrap account operator;
- cut-off times for transacting (eg applications and withdrawals) are determined by the master trust or wrap account operator;
- fund reporting and other documentation including notices about fee increases and other significant events (Fund reports and investor notices are sent to the master trust or wrap account operator who then provide this information to indirect investors);
- fees and other costs (additional fees and expenses may be charged by the operator or custodian of the master trust or wrap account).

Investors in the master trust or wrap account should contact their financial adviser or master trust or wrap account operator for any investor queries.

### 3. Additional information about fees and costs

The following section provides further details about fees and other costs that you may be charged for investing in the Fund along with further information about the additional fees and costs that could apply to your investment. This information should be read in conjunction with the PDS.

Type of Fee or Cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	At the date of this PDS, management costs consist of the following components:	
	Issuer fee <sup>1</sup>	Nil The issuer fee is paid from the assets of the Fund and reflected in the unit price of your investment. The fee is generally calculated on the value of the Fund daily and paid to us after the end of each month.
	Estimated expense recoveries <sup>2</sup>	Nil Expenses are generally reimbursed to us out of the assets of the Fund after the end of each month.
	Estimated indirect costs <sup>3</sup>	Nil Reflected in the Class Z unit price of the Fund and are not charged to you or retained by us.
	<b>Estimated total management costs<sup>4</sup></b>	<b>Nil</b>
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1 Fees in this PDS will be individually negotiated if you are a wholesale client under the Corporations Act.  
 2 At the date of this PDS, we pay recoverable expenses (if any, excluding any GST payable on our fees) out of our issuer fee. However, if we decide to deduct expenses in addition to the issuer fee in the future, we will give you 30 days' written notice.

3 This is an estimate of the indirect costs for a financial year.  
 4 The actual total management costs may vary from this estimate.

## Additional explanation of fees and costs

### Transactional and operational costs

Transactional and operational costs such as brokerage, bid-offer spreads on securities traded, settlement costs, clearing costs and government charges may be incurred as a result of changes in a Fund's investment portfolio either in relation to implementing the Fund's investment strategy or investors entering or exiting the Fund.

Transaction costs that are incurred in relation to investors entering or exiting the Fund are recouped via the Fund's buy-sell spread (being the difference between the Class Z Unit entry and exit unit prices).

At the date of this PDS, the estimated total transactional and operational costs for the Fund for a financial year are 0.66%. Of this amount, we estimate that a portion may be recouped by the buy-sell spread. These costs may vary from year to year depending on the transactional or operational costs in implementing the Fund's investment strategy and/or investors entering or exiting the Fund.

When a Fund incurs transactional and operational costs these are paid out of the Fund's assets and reflected in the Class Z unit price and are not charged to you as an additional fee or cost.

### Indirect investors – additional master trust or wrap account fees

For indirect investors accessing the Fund indirectly through a master trust or wrap account, additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator.

### Product access payments and fund manager payments

From the fees we receive, we may pay product access payments (as a flat dollar amount each year) to wrap platforms, master trusts or other investment administration services (**Platforms**) for making the Fund available on their investment menus.

The amount of these payments may change during the life of the PDS. As these amounts are paid by us out of our own resources, they are not an additional cost to you.

### Rebates/waivers for interfunding arrangements

The Fund may invest from time to time in other funds that we, or a related entity, manage (**related fund**). Our current policy is:

- no contribution fee is payable to the related fund;
- issuer fees are either not collected by the related fund or if they are, they are rebated in full to the Fund; and
- where the related fund charges expense recoveries outside the issuer fee, these will also be rebated to the Fund. However, we may change these arrangements at any time, in which case, we will give investors 30 days' notice.

### Ability to negotiate fees – wholesale investors

If you are classed as a wholesale investor (such as a professional investor) under the Corporations Act, in accordance with ASIC policy, all fees described in this PDS may be individually negotiated. There is no set manner or method of negotiating fees. Please contact our Client Services team for further information.

### Fees paid to financial advisers and other persons

#### Direct remuneration

Pendal does not pay commissions to financial advisers who provide financial product advice to retail investors.

#### Non-monetary benefits

We may make non-monetary payments or benefits (including sponsorships, gifts and entertainment) to financial advisers, dealer groups and platform providers who provide financial product advice to retail investors where those payments are less than \$300 or are given in relation to providing information technology support or software used for professional development, or for genuine educational and training purposes.

If these amounts or benefits are provided, they are payable out of the fees and costs we are entitled to receive and are not an additional cost to you.

### Register of non-monetary benefits

We maintain a register that outlines all of the non-monetary payments or benefits that we make to financial advisers, dealer groups and platform providers or receive from them with a value between \$100 to \$300.

You can obtain a copy of this register by contacting our Client Services team.

### Incidental fees and costs

Standard Government fees, duties and bank charges may also apply to your investments and withdrawals including dishonour fees and conversion costs.

## 4. How managed investment schemes are taxed

### Taxation

Investing in the Fund is likely to have tax consequences. Before investing in the Fund, you should obtain professional tax advice about the Australian tax consequences applicable to you, and if appropriate, any foreign tax consequences that may apply to you based on your particular circumstances.

The taxation information contained in this document reflects Australian tax laws and their interpretation as at the date of issue of this document.

### Attribution Managed Investment Trust (AMIT) Regime

The AMIT tax regime is designed specifically for managed funds, to provide certainty and flexibility to managed funds and their investors.

We have elected that the Scheme be an AMIT.

As an investor in the Fund, you will be taxed on the income of the Scheme that has been attributed to you on a 'fair and reasonable basis' for each financial year that the Scheme qualifies as an AMIT.

Where the Scheme qualifies and has elected to treat separate classes of units as separate AMITs ('AMIT multi-class election'), any class of units with net income will not be offset against losses of another class. Where the Scheme has not elected or does not qualify for the AMIT multi-class election, any class of units with net income may be offset against the losses of another class.

In certain circumstances, we may attribute income and gains of the Scheme to specific redeeming investors.

The AMIT Member Annual (AMMA) statement provided to you after the end of the financial year will set out the details of taxable income that has been attributed to you.

### Taxation of the Scheme

We intend to manage the Scheme so that the Scheme is not subject to Australian tax.

We do not expect the Scheme to be subject to tax on the income of the Scheme (other than in relation to withholding tax on foreign income or other taxes in respect of non-resident investors) as we intend that:

- when the Scheme is an AMIT: all taxable income of the Scheme will be 'attributed' to investors on a 'fair and reasonable' basis in each financial year and be reflected in the AMMA statement provided to investors; and
- when the Scheme is not an AMIT: investors will continue to be presently entitled to all the net income of the Scheme in each financial year and an investor's share of the net taxable income of the Scheme will be reflected in the tax statement provided to the investor.

While the Fund is an AMIT, we have the discretion to accumulate income of the Scheme, or any class of units in the Scheme (instead of, or in addition to, distributing income to investors), and if we do so, the accumulated income will be reflected in unit price of the relevant class of units to which the accumulated income relates. Our policy is generally to distribute the net income of the Scheme (including net realised capital gains) for each financial year to investors.

If you disagree with our attribution of taxable income, you may write to the Commissioner of Taxation within 4 months of the end of the relevant income year. You will be required to provide us with a copy of this submission at the same time.

### **Withholding taxes**

The Scheme may derive income from foreign sources which is subject to foreign withholding taxes in those jurisdictions. Such taxes may be reduced under tax treaties which may exist between Australia and the respective foreign jurisdiction. The benefit of foreign taxes paid by the Scheme will be attributed/ allocated to investors as foreign tax credits to the extent permitted by Australian tax laws.

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

#### **Foreign Tax Residency Information**

We are required to identify tax residents of a country or countries other than Australia in order to meet account information reporting requirements under domestic and international laws.

If at any time after account opening, information in our possession suggests that you, or the entity or any individual who holds ownership and/or control in the entity of 25% or more (**Controlling Person**), may be a tax resident of a country or countries other than Australia, you may be contacted to provide further information. Failure to respond may lead to certain reporting requirements applying to the account.

A Controlling Person refers to the individual(s) that directly or indirectly own a legal interest in the entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective such as through voting rights. Where no individuals are identified as exercising control of the entity through ownership interests, the Controlling Person of the entity is deemed to be the individual(s) who hold the position of senior managing official. In the case of a trust, a Controlling Person includes the settlor(s), trustee(s), appointer(s), protector(s) or classes of beneficiaries and in the case of an entity other than a trust, the term includes persons of equivalent or similar positions.

#### **Quoting your Tax File Number (TFN) or Australian Business Number (ABN)**

Investors are not obliged to provide us with their TFN or ABN (if applicable), but if you are an Australian resident for tax purposes and you do not provide either, and do not claim a valid exemption, we are required to deduct tax from distributions that are paid as cash, reinvested or amounts attributed to you, at the highest marginal tax rate, plus the Medicare levy and other applicable levies.

Australian companies and other entities that invest in the course or furtherance of their registered business may provide us with their ABN instead of their TFN.