

# Additional information about the Forager Wholesale Value Fund



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ABN 14 145 321 928 | AFSL 392401

FORAGER FUNDS MANAGEMENT PTY LTD  
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## Important information about this Additional Information

The information in this document forms part of the Forager Wholesale Value Fund Product Disclosure Statement, issued on 1 July 2014 as updated by website updates on 1 March 2017 and 1 July 2017 (PDS).

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### Please note:

Definitions of certain capitalised terms used in this document are set out in the Glossary in the PDS.

## 1. Additional information about the acquisition and disposal of interests

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### 1.1 Application for units

An application for units in the Fund can be made by completing the application form attached to a paper or electronic copy of the current version of the PDS and sending it together with application monies to the address shown below:

Cheques should be made payable to: Macro Capital Limited ATF Forager Wholesale Value Fund

Forward application forms and cheques to: Macro Capital Limited, PO Box 558, Wembley WA 6913

The minimum initial investment is \$10,000 and minimum additional investment is \$5,000. Units will be issued when the application form is accepted and payment is received.

The issue price of units will generally be calculated weekly, however, Macro may elect to calculate issue prices more or less frequently or more than once for a particular Business Day. Application forms received and accepted will be processed at the issue price at the close of business on the applicable Valuation Date.

Macro may accept or reject an application in whole or in part. Any interest earned on application money will be retained by Macro and will form part of the assets of the Fund.

### 1.2 Withdrawals

If Macro gives effect to a withdrawal request, then under the Fund's constitution, payments must be made within 30 days of receipt of the withdrawal request. However, it is expected withdrawal requests will be processed within ten Business Days of receipt in most circumstances.

Macro may refuse to give effect to a withdrawal request or suspend withdrawals in certain circumstances in accordance with the constitution of the Fund and the Corporations Act. For example, where, in Macro's opinion, it is not in the best interests of investors for withdrawals to be made, where Macro is unable to calculate the withdrawal price for reasons beyond its control or where Macro is unable to realise assets needed to satisfy the withdrawal request. In addition, the Fund has a minimum withdrawal amount of \$5,000 (although Macro may, at its discretion, accept lesser amounts).

Withdrawal requests received and accepted will be processed at the withdrawal price at the close of business on the applicable Valuation Date.

Withdrawal proceeds are determined by multiplying the number of units redeemed by the withdrawal price on the applicable Valuation Date. If a withdrawal request is received that would result in an investor's holding in the Fund being less than \$5,000, Macro may redeem the investor's entire holding in the Fund.

The withdrawal of units is governed by the Fund's constitution and the Corporations Act. A managed investment scheme is deemed to be illiquid where liquid assets (as defined in the Corporations Act) do not account for at least 80% of the value of scheme property. If the Fund is illiquid, investors do not have an automatic right to request withdrawal and Macro may (but is not obliged to) offer withdrawals of units from the Fund on a periodic basis in accordance with the Fund's constitution and the Corporations Act.

### 1.3 Transferring or selling units

Investors in the Fund may transfer their units in the Fund to a willing purchaser by way of a form approved by Macro and subject to the Fund's constitution. However, the Corporations Act restricts Macro's ability to facilitate the sale of units from investors to third parties and, in particular, restricts Macro from introducing potential buyers to sellers. Units in the Fund are not quoted on the ASX and there is no secondary market for trading in units.

## 1.4 Unit pricing

Both the most recent issue price and withdrawal price for units in the Fund can be found by calling Macro Investor Services on 08 9217 3100 or on Macro's website at [www.macrofunds.com.au](http://www.macrofunds.com.au). The issue price of a unit will be generally calculated weekly, although Macro may elect to calculate issue prices more or less frequently or more than once for a particular Business Day. The issue price of a unit will be calculated in accordance with the following formula:

$$\text{Issue price} = \frac{\text{Net Assets of the Fund} + \text{transaction costs}}{\text{number of units in issue}}$$

The withdrawal price of a unit will be calculated in accordance with the following formula:

$$\text{Withdrawal price} = \frac{\text{Net Assets of the Fund} - \text{transaction costs}}{\text{number of units in issue}}$$

The Net Assets of the Fund are calculated by subtracting from the assets of the Fund (which includes all investments and other assets of the Fund) all liabilities of the Fund (which includes all charges, expenses, contingent liabilities, provisions for the cost of acquiring assets and unpaid distributions, but excludes any amounts subscribed by investors for units which might be considered liabilities under applicable accounting standards).

Both the issue price and the withdrawal price include an adjustment factor representing transaction costs to acquire or sell investments as a result of applications and withdrawals by investors. These costs, which affect unit pricing, are dealt with by applying a "buy/sell spread". Further information about transaction costs is set out in section 3.1 of the Additional Information document.

## 1.5 Distributions

### What distributions will be made?

The Fund may earn income, such as dividends and interest. The Fund may also realise revenue and capital gains or losses on the sale of investments. The net income of the Fund after expenses, if any, together with any franking credits attached to that income, will be distributed to each unit holder, normally on a quarterly basis, as at 31 March, 30 June, 30 September and 31 December based on the number of units held on the distribution date. These distributions are normally paid within 30 days of those dates, although the Fund's constitution allows 60 days for the payment of distributions.

The amount and components of a distribution will vary from period to period. There may be periods when the Fund does not make a distribution or where any distribution is made up predominantly or entirely of realised capital gains.

### Your distribution choices

You may choose on the application form to have your distributions:

- reinvested in additional units of the same class in the Fund; or
- paid directly to your nominated Australian bank, building society or credit union account.

Please note that if you do not make a distribution choice, distributions will automatically be reinvested in additional units in the Fund. Where a distribution is reinvested, we will treat it as having received and accepted an application to reinvest the distribution on the day at the end of the distribution period. The new units will be issued at the application price applicable to that time and we will notify you within 30 days of the number of the units issued to you.

You may change your distribution option at a later date, providing notification of the change is provided to us in writing and signed by an authorised person at least 1 month before the distribution calculation date. An amendment to a nominated bank account cannot be accepted by fax instruction and must be notified to us in writing in the form of an original instruction signed in accordance with the most recent signing instructions provided by you. In normal circumstances we will grant your request to change your distribution option. However, we have the discretion to decline your request. If the request is declined, we will notify you within a reasonable time frame. Distributions generally cannot be paid to third parties.

## 2. Additional information about the Fund

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### 2.1 Investment management

An investment management agreement between Macro and Forager sets out the terms and conditions under which Forager will manage and advise on the investments of the Fund, including Forager's powers and duties, the required performance standards and the methods used by Macro to ensure those standards are satisfied, such as regular reporting obligations. The remuneration payable to Forager is paid by Macro from the fees and costs Macro receives which are detailed in section 6 of the PDS. Forager will report to an investment committee on a monthly basis, which includes representation from Macro.

### 2.2 The constitution

The Fund is a registered managed investment scheme and is governed by a constitution. The constitution of the Fund (as amended from time to time) is the primary document governing the relationship between investors and Macro as the responsible entity for the Fund. By acquiring units in the Fund, you will be bound by the terms of the constitution.

The constitution for the Fund is dated 30 July 2004 and has been lodged with ASIC. The constitution has also been amended by supplemental deeds that have been lodged with ASIC

The Fund's constitution, together with the Corporations Act, general law and other relevant legislation, governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both investors and Macro in its capacity as the responsible entity for the Fund. The Fund's constitution includes provisions dealing with matters such as the following:

- The broad powers granted to Macro to invest, borrow, receive fees and other payments and generally manage the Fund, subject to its obligations under the law and the Corporations Act which require it to act honestly and in the best interests of investors;
- Indemnity for Macro – To the extent permitted by the Corporations Act, Macro is entitled to be indemnified out of the assets of the Fund for all liabilities incurred in the proper performance of its duties and for fees and costs payable to it with respect to the Fund. This indemnity does not apply where there has been negligence, deceit, fraud, breach of duty or breach of trust by Macro;
- The issue of units and the calculation of issue prices;
- The procedure for withdrawing an investment and the calculation of withdrawal prices;
- Calculation of the net income of the Fund and when it is to be distributed to investors, and the rights of investors to receive distributions of income and capital from the Fund;
- Distribution reinvestment;
- Convening, holding and voting at meetings of investors. Investors' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act;
- The transfer of units;
- The fees payable and expenses for which Macro is entitled to be reimbursed;
- The power of Macro to enter into a transaction with the Fund in its personal capacity or become interested in any such transaction;
- The power of Macro to make deductions from distributions for any amount of tax which is paid or payable by Macro in respect of an investor;
- The retirement and removal of Macro;
- Complaints handling procedures;
- Winding up of the Fund; and
- The obligations, duties and powers of Macro, the delegation of its functions and the principles by which the assets of the Fund will be valued.

The Fund's Constitution contains provisions intended to limit the liability of investors to their investment in the Fund. However, there can be no absolute assurance that the liability of investors would be limited as intended by these provisions as the ultimate liability of investors to creditors of a managed investment scheme or trust has not been finally resolved by Australian courts.

An investor is also liable to indemnify Macro for certain duties, taxes and bank charges directly referable to that investor.

Macro may amend the Fund's constitution without the consent of investors if it is of the opinion the change will not adversely affect investors' rights. Otherwise, any amendment to the constitution may only be made by a special resolution of investors. A copy of the Fund's constitution may be obtained free of charge by calling Macro investor services on (08) 9217 3100.

### 2.3 Communications with investors:

Investors will receive the following acknowledgments, statements and reports relating to their investment in the Fund:

- A transaction statement will be issued to investors upon the processing of an application or withdrawal request;
- A quarterly statement will be issued to investors if a distribution is declared, showing income distributions paid to the investor or reinvested in additional units in the Fund and the balance of the investor's holding at the end of the quarter;
- If the Fund has made a distribution during the year, an annual taxation statement, after the end of the financial year, showing the detail of the distributed income and its components for the last financial year; and
- The annual report for the Fund, if requested, which includes Macro's report to investors and the Fund's audited financial statements.

Investors investing through an Administration Service will receive reports on their investment from the operator of that Administration Service, not from Macro.

In addition, information with respect to the Fund (for example, issue prices, withdrawal prices and important events) and details of other developments that might be of interest to investors will be regularly posted on Macro's website at [www.macrofunds.com.au](http://www.macrofunds.com.au)

### 2.4 Disclosing Entity reporting

If the Fund is a disclosing entity for Corporations Act purposes and is therefore subject to regular reporting and disclosure obligations, investors in the Fund will have the right to obtain the following documents from us:

- the annual financial report of the Fund most recently lodged with ASIC;
- any half year financial report of the Fund that we lodged with ASIC after the lodgement of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices that we provided in respect of the Fund after lodgement of that annual financial report and before the date of this PDS.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. You can also obtain copies of documents lodged with ASIC free of charge by contacting us on (08) 9217 3100 or by visiting Macro's website at [www.macrofunds.com.au](http://www.macrofunds.com.au)

The Fund meets its disclosure obligations by publishing relevant information on Macro's website in accordance with "good practice guidance" from ASIC – rather than by lodging continuous disclosure notices with ASIC.

### 2.5 Investing through an Administration Service

Macro authorises the use of the PDS as disclosure for those who wish to access the Fund through an Administration Service, where the operator of that service has provided Macro with a written undertaking in accordance with ASIC requirements. If a person invests in the Fund through an Administration Service, they should note that the operator or custodian of the Administration Service will be recorded in the register as the investor in the Fund and will have the rights attaching to units in the Fund. Macro is not responsible for the operation of any of such services through which a person might invest. Therefore, certain rights of investors in the Fund will not apply to persons if they are investing through any of those services, such as the right to receive reports and statements from Macro, the right to attend meetings, and the right to make a complaint to Macro. If persons are investing through an Administration Service, they should also take into account the fees and other costs of the operator of the service. In addition, as well as reading the PDS, they should read the document which explains the service.

### 2.6 Privacy

We are committed to protecting the privacy of investors' personal information. Our privacy policy states how we manage personal information. You can obtain a copy from [www.macrofunds.com.au](http://www.macrofunds.com.au) or by telephoning or writing to us.

We collect personal information for the purposes of processing your application, providing you with this product and

managing your investment account. We may not be able to undertake these activities without this information. Some information is collected for the purpose of compliance with the Financial Transaction Reports Act 1988 and AML/CTF Act and Rules. In order to perform our role, we and our external service providers may disclose some or all of your personal information to:

- providers of outsourced services such as unit registry organisations, custodians, back office administrative service providers, printers and mailers;
- Forager and its associated companies or service providers;
- providers of research and data analysis services, to support our systems, investment strategies and services;
- your financial adviser – unless you otherwise notify us in writing, we will provide your investment details to your adviser or your advisory group;
- government agencies and bodies when required by law;
- professional advisers such as legal counsel and auditors; and
- financial institutions involved in processing transactions.

We may also disclose certain information in relation to your interest in the Funds if we are required to do so to comply with a notice to provide ownership information concerning an investment of a Fund, given under section 672A of the Corporations Act or other applicable law.

You may at any time contact us with any questions or concerns about privacy, or to request access to your personal information held by us, or to correct or update the information.

## 2.7 Anti-money laundering

The Australian Government enacted the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) and Rules in December 2006. The purpose of the AML/CTF Act and Rules is the regulation of financial services and transactions in a way that will help detect and prevent money laundering and terrorism financing.

As required by the AML/CTF Act and Rules, Macro has implemented an Anti-Money Laundering and Counter Terrorism Financing Program (AML/CTF Program) in an attempt to identify, manage and mitigate the risk of its products and services being used for the purposes of money laundering or terrorism financing. Under the AML/CTF Program, Macro has procedures in place which it must carry out in order to reasonably verify the identity of all prospective investors before providing services to that investor, and from time to time thereafter. Failure to verify the identity of a new investor, due for example to the reluctance on the part of the investor to provide the necessary Identification Information, will likely result in the delay or refusal of the investor's application in the Fund. Macro will not be responsible for any losses (including consequential loss) incurred by an investor who fails to comply with these requirements.

In accordance with the AML/CTF Act and Rules, there may be occasion where Macro is required to disclose information in respect of an investor's application and/or subsequent transactions to regulatory and/or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC).

## 2.8 Consents

Foragers Funds Management Pty Ltd and Forager Publishing Pty Ltd have each given, and have not withdrawn, its consent to be referred to in the PDS for the Fund in the form and context in which they are included.

# 3. Additional information about fees and costs

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This section provides further information about the fees and other costs that you may be charged. These fees and other costs may be deducted from the money you invest, from the returns on your investment or from Fund assets as a whole. It is our intention to pay such amounts from the Fund assets.

Fees and other costs for the Fund are set out in this section 3.

Further information about taxes are set out in section 4 of the Additional Information document.

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

## 3.1 Additional explanation of fees and costs

### Management costs

In addition to the management costs shown in the "Fees and other costs" table set out in the PDS, Macro may also be reimbursed from the Fund in accordance with the Constitution to cover expenses incurred due to abnormal events such as the cost of running a member meeting, or legal costs incurred by changes in the constitution or

defending legal proceedings. Only those costs, charges and expenses which we consider to be of an abnormal or extraordinary nature are permitted to be charged to the Fund. Macro pays a fee to Forager for the investment management services it provides, which Macro pays out of the management fee that it receives from the Fund.

#### Transactional and operational costs

**Buy/sell spread.** Applications increase the amount in the Fund and require additional investments to be acquired for the Fund. Withdrawals from the Fund require additional cash to be made available so Fund investments may have to be sold. The Fund is required to pay transaction costs such as brokerage when it buys or sells investments. This is often referred to as the buy/sell spread. The buy/sell spread is an additional cost passed on to the investor by adding or subtracting the estimate of these costs to applications or withdrawals, so that existing investors do not bear the transaction costs of persons entering and exiting the Fund. The buy/sell spread is paid to the Fund, and is not a fee paid to us.

We may, in connection with any particular application or withdrawal, deem the buy/sell spread to be a lesser amount than estimated, including zero, or use an estimated average percentage cost in accordance with our policy on unit pricing discretions. A copy of the policy is available free-of-charge. The buy/sell spread is currently 0.25% of the net assets of the Fund (calculated on a per unit basis). For example, the buy spread for acquiring a \$50,000 investment in the Fund will equate to \$125.00 and the sell spread for disposing of a \$50,000 investment in the Fund will equate to \$125.00.

**Other.** In addition to the buy/sell spread the Fund also incurs transactional and operational costs in the day-to-day management of the Fund when buying and selling investments. These costs are paid directly from the Fund and include government charges, taxes (including stamp duty), brokerage, commissions, bid/ask spreads and underlying investments' transactional and operational costs.

**Total.** We estimate the total transactional and operational costs of the Fund to be 1.01% of the net assets of the Fund.

The transactional and operational costs may be amended without notice, from time-to-time and there is no limit to the transactional and operational costs that may be charged under the Fund constitution.

#### Maximum fees

The maximum fees that may be charged under the constitution in respect of the Fund are as follows:

Fee	Maximum
Management fee	1.15% p.a. of the value of the assets of the Fund.
Expense recoveries	Unlimited, provided expenses are properly incurred by Macro in performing its duties as responsible entity.

#### Adviser remuneration

In addition to the financial adviser fees disclosed in the PDS, please note that subject to any limitations at law, we may pay commissions and/or bonuses to various directors and employees of Macro (or their associated entities). These amounts are paid out of the management costs to which we are entitled and are not an additional cost to the Fund.

#### Other remuneration

Subject to any limitations at law, we may pay commissions and/or bonuses to various directors and employees of Macro (or their associated entities). These amounts are paid out of the management costs to which we are entitled and are not an additional cost to the Fund.

## 4. Additional information about taxation matters relating to registered managed investment schemes

The following is a general tax summary of the key Australian income tax, stamp duty, and goods and services tax (GST) implications of investing in the Fund for individuals that are Australian resident taxpayers. These individuals are assumed to hold their units in the Fund on capital account and to be dealing at arm's length.

The information in this summary is general in nature. This information does not constitute legal or tax advice and does not seek to address all of the tax issues that may be relevant to a prospective investor. Taxation issues are

complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment.

All references in this tax summary to legislative provisions are to provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (together, the '**Tax Act**'), unless otherwise stated.

The tax treatment will vary according to individual circumstances and prospective investors are advised to seek their own independent tax advice in respect of their proposed investment in the Fund. All tax liabilities are, and will remain, the responsibility of each investor. Macro is not responsible for any taxation or penalties incurred by investors in any circumstance.

The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the **ATO**) generally accepted as at the date of this document. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

#### 4.1 Tax treatment of the Fund

The Fund is an Australian resident trust for Australian tax purposes. Macro intends to limit the investment activities of the Fund to ensure that it is treated as a 'flow through' entity for the purposes of Australian tax, i.e. so that the provisions in the Tax Act that tax certain trusts in a manner similar to a company should not apply. Macro should not be liable to tax on the Fund's net (taxable) income, on the basis that the Fund will have an amount of distributable income each income year that will be wholly distributed to investors each financial year. Instead, you (and each other investor) will be required to include your share of the net (taxable) income of the Fund in your own assessable income in the financial year to which the distribution relates. This takes into account income that has been reinvested, or for which the entitlement has arisen but it has not yet been distributed to you.

On 28 March 2012, the Commissioner of Taxation issued Draft Taxation Ruling TR 2012/D1, which stated that the responsible entity, in some limited circumstances where there is not considered to be a genuine accretion to the assets of a fund, may not be able to determine that the fund has distributable income even where the fund has net taxable income. In this case, that net taxable income would be taxable to the responsible entity at a 46.5% tax rate and the tax would be paid out of the assets of the fund. Draft Taxation Ruling TR 2012/D1 is subject to consultation and may not be wholly correct. Macro intends to take all reasonable measures in exercising its discretion to determine the characterisation of receipts and outgoings of the Fund for tax purposes to ensure that there is distributable income of the Fund for each income year, taking into account the views expressed in Draft Taxation Ruling TR 2012/D1, such that the net taxable income would not be taxable to Macro.

#### 4.2 Net Income of the Fund

The net income of the Fund should take into account the following amounts:

- a) capital gains and losses on any shares, trust units, other equity interests, land and related rights and options held by the Fund that are taken to be on capital account pursuant to an election Macro makes under Division 275 of the *Income Tax Assessment Act 1997*;
- b) gains or losses on any assets held by the Fund on revenue account, such as debt securities, derivatives and other financial arrangements;
- c) dividends (or dividend equivalent payments) paid in respect of the equity investments of the Fund, including any franking credits attached to the dividends (or dividend equivalent payments); and
- d) interest on debt securities or cash held by the Fund.

For the purposes of calculating the net income of the Fund, a 50% discount would be applied to capital gains made on assets the Fund had held for at least 12 months.

We note that under the previous "Foreign Investment Fund" rules, amounts could have been included in the net income of an Australian trust on an accruals basis in respect of their interests in foreign funds. The Foreign Investment Fund rules were repealed with effect from the 2011 income year and will not apply to the Fund. However, the Government proposes to replace the Foreign Investment Fund rules with a new more tightly targeted "Foreign Accumulation Fund" regime that would apply from the date of Royal Assent of the amending legislation. Exposure Draft legislation has suggested that a foreign fund would be a Foreign Accumulation Fund only where the 80% or more of the total assets the foreign fund holds are debt interests and the foreign fund does not distribute 80% or more of its realised profits and gains, however this may change. To the extent that the Fund holds interests in foreign funds that are defined to be Foreign Accumulation Funds after the date of Royal Assent of the amending legislation, amounts may be included in the net income of the Fund on an accruals basis in respect of those foreign funds.



### 4.3 Tax treatment of investors

The constitution provides that investors are presently entitled to their proportionate share of trust income. Investors will receive an annual distribution statement which will identify the components of their distributions.

As discussed above, for the purposes of calculating the net income of the Fund, a 50% discount would be applied to capital gains made on assets the Fund has held for at least 12 months. Investors would be required to gross up the capital gain component of Fund distributions. An investor would then be able to apply its own capital losses, if any, against the trust capital gains before applying the relevant discount percentage if any, which is also 50% for individuals and 33 1/3% for complying superannuation funds, to any remaining capital gains.

Distributions from the Fund may include non-assessable amounts including a return of capital. Such amounts are not taxable as income to the investors when distributed but rather will reduce the cost base of the Units held in the Fund for the purposes of determining a capital gains tax liability on the disposal of the Units.

If the Fund is in a tax loss or net capital loss position for a financial year, this loss cannot be distributed to you, i.e. used by you to offset other income. However, such a loss may be able to be carried forward and deducted against future income of the Fund if, in the case of a tax loss, the Fund meets certain requirements in relation to the continuity of persons with an interest in the Fund.

An investment in units in the Fund should generally not be regarded as a financial arrangement subject to the TOFA rules.

### 4.4 CGT treatment

The cost base of your units for CGT purposes will include, among other things, the amount paid to acquire the units and any incidental costs. As discussed above, where you receive a distribution in excess of your share of the net income of the Fund, the amount of the distribution not included in your assessable income will reduce the cost base in your units. If investors receive distributions of non-assessable amounts that exceed their cost base in their units, they would make a capital gain to the extent of the excess.

You may make a capital gain or capital loss when you dispose of your units. As a general rule, where the proceeds on disposal of your units are greater than the cost base of those units, you will make a capital gain. The amount of proceeds on disposal will depend on whether or not you withdraw from the Fund and redeem your units or whether you dispose of your units to a third party.

If you withdraw from the Fund and redeem your units, your total redemption proceeds may be deemed by us in accordance with the Constitution to comprise both a distribution of income from the Fund and a payment for the redemption of your units. In these circumstances, only the component relating to the payment for the redemption of units will be relevant in determining whether or not you make a capital gain or loss.

Where you are able to assign or sell your units to a third party, the total sale proceeds you receive for this assignment will be taken into account in determining whether you make a capital gain or capital loss.

Where CGT discount treatment applies, this means that only half (if you are an individual (or trust) or two thirds (if you are a complying superannuation entity) of any capital gain on units which are held for more than twelve months will be included in your assessable income.

If you make a capital loss on the disposal of your units, this loss will only be able to be offset against capital gains you derive from other sources and not against other ordinary income, like distributions or wages. However, capital losses can be carried forward and used to offset capital gains you may make in later years.

### 4.5 Tax file number

If you do not provide a tax file number or claim a valid exemption (or in certain circumstances provide an Australian Business Number), Macro will be required to deduct tax from your distributions at the highest marginal tax rate plus Medicare levy (currently 46.5%). Any tax file number you provide will be reported to the ATO by Macro in connection with your investment.

### 4.6 GST

GST will not apply to the issue or redemption of units. GST may apply to the fees charged to the Fund and some other expenses of the Fund (including on the acquisition of certain types of assets). The Fund may be entitled to a reduced input tax credit equal to between 55% and 75% of the GST paid in respect of certain expenses. GST may also apply to fees and commissions charged to you by your financial adviser. You should obtain independent advice as to whether any input tax credits are available for any such GST, as it will depend on your personal circumstances.

#### 4.7 Tax Reform

The Australian Government has announced that it is proposing to implement a new tax system for managed investment trusts. The rules are intended to provide greater certainty in relation to the tax treatment of managed investment trusts, however, no legislation has been introduced as at the date of this document. On the basis of current information, the rules would apply from 1 July 2014.

#### 4.8 Foreign taxes

Australian and foreign taxes can reduce the amount you receive from the Fund, or the amount the Fund receives from its investments and dealings.

Foreign taxes may be imposed where the Fund's investments or dealings have some connection with a foreign jurisdiction. Foreign laws are varied and can apply in uncertain ways. For example, the United States of America has recently enacted new rules known as the Foreign Account Tax Compliance Act (**FATCA**). Based on current information, FATCA could result in the Fund becoming subject to a 30% withholding tax on part or all of the payments it receives from US sources (from 1 January 2014) or from financial institutions or investment bodies with US assets (from 1 January 2017). Alternatively, if the Fund has US assets, it could potentially be required to withhold 30% tax on part or all of its payments to unit holders (from 1 January 2017), if the unit holders do not comply with certain FATCA obligations (e.g. to provide certain identity information to the Fund for disclosure to the Internal Revenue Service).

In addition, under the Common Reporting Standard (**CRS**) which is the single global standard for the collection, reporting and exchange of financial account information on non-residents, banks and other financial institutions, the Fund may need to collect and report to the ATO, financial account information on non-residents. This is effective from 1 July 2017, with the first exchange of information to occur in 2018.

The CRS tackles and deters cross-border tax evasion by establishing a common international standard for financial institutions to identify and report information about the financial accounts of foreign residents to their local tax authority and for tax authorities to exchange this information. The ATO may exchange this information with the participating foreign tax authorities of those non-residents. In parallel, the ATO will receive financial account information on Australian residents from other countries' tax authorities. This will help ensure that Australian residents with financial accounts in other countries are complying with Australian tax law and act as a deterrent to tax evasion.

If the Fund suffers any amount of Australian or foreign tax, or is required to withhold any amount in respect of Australian or foreign tax, neither Macro nor the Fund will be required to compensate you for any such tax, and the effects of these amounts will be reflected in the returns of the Fund.

## 5. Additional information about complaints and dispute resolution

As an investor in the Fund, you have the right to enquire into or complain about the operation of the Fund to the extent that it relates to you or your investment.

If you are investing through an Administration Service and you wish to make a complaint, you are directed to contact your Administration Service. If you are not satisfied with your Administration Service's response to your complaint, you can contact your Administration Service's external dispute resolution scheme.

For direct investors, we have established procedures to ensure complaints about financial services provided by us or by our authorised representatives are properly considered. We are committed to handling any complaints quickly and fairly.

If you wish to make a complaint, you can call or write to us (for the attention of the Compliance Manager) at the contact details set out in this PDS. We will provide you with all reasonable assistance and information you may require for the purpose of making a complaint and assist you in understanding our complaints handling procedures. We aim to provide a formal response within 28 days of acknowledgement of the complaint.

We are a member of the Financial Ombudsman Service Limited (FOS), an external industry dispute resolution scheme. If you are not satisfied with our response to your complaint, you can contact FOS. Its address is GPO Box 3, Melbourne, Victoria 3001. The telephone number for FOS is 1300 78 08 08 for the cost of a local call.

FOS has the discretion to exclude complaints where appropriate, for example because the applicant is not a retail client as defined in the Corporations Act.