

BNP Paribas Global Absolute Return Bond Trust



BNP PARIBAS
ASSET MANAGEMENT

Reference Guide

Issue Date 14 July 2025

About this Reference Guide

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity"). The information in this document forms part of the Product Disclosure Statement ("PDS") for the BNP Paribas Global Absolute Return Bond Trust ("Trust") dated 14 July 2025.

The information provided in this RG is for general information only and does not take into account your individual objectives, financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances.

Updated information

Before making an investment in the Trust, you should ensure that you have read the current PDS and RG as at the date of your investment.

Information in the PDS and this RG is subject to change. We will notify you of any changes that have a material adverse impact on you or other significant events that affect the information contained in this PDS and RG. Information that is not materially adverse information is subject to change from time to time and may be obtained by visiting www.eqt.com.au/insto or www.bnpparibas-am.com/en-au or request a copy by calling BNP PARIBAS ASSET MANAGEMENT Australia Limited on 1800 267 726 (Australia) or +612 9619 6041 or by calling the Responsible Entity on +61 3 8623 5000. A paper copy of the updated information will also be provided free of charge on request.

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Investment Manager

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Delegated Investment Manager

BNP PARIBAS ASSET MANAGEMENT Asia
Limited
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1. Investing in the BNP Paribas Global Absolute Return Bond Trust

Application cut-off times

If we receive a correctly completed Application Form/Additional Investment Form, identification documents (if applicable) and cleared application money:

- before 2pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for that Business Day; or
- on or after 2pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for the next Business Day.

Please see the PDS for information regarding how to apply.

Application terms

We will only start processing an application if:

- we consider that you have correctly completed the Application Form/Additional Investment Form;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your Application Form/Additional Investment Form.

Online applications (once available)

In addition to completing the hard copy Application Form that accompanies the relevant PDS, investors in Australia meeting the online application criteria will also have the option (when available) of completing an online version of the Application Form, further instructions will be available on www.bnpparibas-am.com/en-au. The online Application Form will allow investors to complete the AML and KYC requirements online and to submit the application using an electronic signature provided that they:

- are a resident of Australia for tax purposes;
- have an Australian residential address;
- have an Australian bank account; and
- have an Australian mobile phone number.

Please note that the online Application Form will only be available for initial applications and cannot be used for additional investments.

2. Managing your investment

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the hard copy Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- switching all or part of your investment;
- requesting income distribution instructions be changed;
- withdrawing all or part of your investment;
- changing bank account details; and
- enquiring and obtaining copies of the status of your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, claims and demands arising from instructions received from your authorised signatory; and
- you agree that our acting on any instructions received from your

authorised signatory shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

Electronic Instructions

If an investor instructs Equity Trustees by electronic means, such as via email, the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the investor e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees or the Trust in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

Reports

Investors will be provided with the following reports:

- application and withdrawal confirmation statements;
- transaction statements; and
- (where applicable), distribution and tax statements.

Annual audited financial accounts are available on Equity Trustees' website.

3. Withdrawing your investment

Withdrawal cut-off times

If we receive a withdrawal request:

- before 2pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day; or
- on or after 2pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next Business Day.

Please see the PDS for information regarding how to request a withdrawal.

Withdrawal terms

Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

We may contact you to check your details before processing your withdrawal request but are not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.

When you are withdrawing, you should take note of the following:

- Withdrawals will only be paid to the investor.
- We reserve the right to fully withdraw your investment if, as a result of processing your request, your investment balance in the Trust falls below the minimum balance set out in the PDS.
- If we cannot satisfactorily identify you as the withdrawing investor, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier or

email, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.

- You agree that if the payment is made according to these terms, you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

We are permitted, in accordance with the Constitution, to pay proceeds in kind (i.e. in specie).

Withdrawal restrictions

Under the Corporations Act, you do not have a right to withdraw from the Trust if the Trust is illiquid. In such circumstances, you will only be able to withdraw your investment if Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

The Trust will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, we may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors or former investors for us to do so, due to circumstances outside our control (such as restricted or suspended trading in a Trust asset).

4. Additional risks of managed investment schemes

The following risks are of a general nature and apply generally to investments in managed funds. You must also read the risks specific to the Trust in which you wish to invest. These are disclosed in the Trust's PDS.

Active Management Risk

The investment manager of the Underlying Fund does not invest in a predetermined basket of securities, such as a basket of securities that reflects an index, but instead selects securities that meet its investment criteria. This carries with it the risk that the Underlying Fund and the Trust may underperform the market generally.

Bond Connect Risk

The Underlying Fund may invest in debt securities traded on Bond Connect. "Bond Connect" is a mutual market access program between the People's Republic of China interbank bond market ("CIBM") and Hong Kong bond market infrastructures as approved by the People's Bank of China ("PBOC") and Hong Kong Monetary Authority. It allows investors from Mainland China and overseas to trade in each other's bond markets through a market infrastructure linkage in Hong Kong. There may be regulatory, operational, settlement and custody risks relating to Bond Connect. The relevant rules and regulations are subject to change from time to time which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend trading on Bond Connect, the Underlying Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Underlying Fund may suffer substantial losses as a result. Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event the relevant systems fail to perform properly, trading through Bond Connect may be disrupted and the Underlying Fund's ability to pursue its investment strategy may be adversely affected. An offshore custody agent recognized by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and/or the Shanghai Clearing House). All debt securities traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such debt securities as a nominee owner. As such, the Underlying Fund is subject to the risks of default or errors on the part of such third parties.

Collateral Management Risk

A counterparty to the Underlying Fund may be required to take collateral from the Underlying Fund's assets to support a derivatives contract. There is a risk that the collateral taken, especially where it is in the form of securities, when realized does not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate collateral pricing, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Where the Underlying Fund in turn is required to post collateral with a counterparty, there is a risk that the value of the collateral placed is higher than the cash or investments received by the Underlying Fund. In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Underlying Fund may face difficulties in meeting withdrawal or purchase requests or in meeting delivery or purchase obligations under other contracts.

Counterparty Credit Risk

Counterparty risk is the risk that any of the Responsible Entity's, the Investment Manager's, the Delegated Investment Manager's or the investment manager of the Underlying Fund's trading counterparties, custodians, or any issuer or guarantor of securities held by the Underlying Fund or the Trust, becomes insolvent or cannot otherwise meet their obligations to settle or repay money.

Environmental, Social and Governance (ESG) Risk

The use of ESG criteria may affect the Underlying Fund's investment performance and, as such, the Underlying Fund (and in turn the Trust) may perform differently compared to similar funds that do not use such criteria.

Applying ESG and sustainability criteria to the investment process may exclude certain assets for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Trust. The selection of assets may in part rely on an impact approach, ESG scoring process or exclusion lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the methodology of the Investment Manager, Delegated Investment Manager or investment manager of the Underlying Fund.

Hedging Risk

The Currency Hedging strategy may not be successful or achieve its intended purpose. The Underlying Fund may not be fully hedged as, for example, it is impracticable and/or too costly to Hedge smaller currency exposures or currencies that are less liquid. Furthermore, costs may be incurred in implementing any hedging strategy.

Interest Rate Risk

Changes in official interest rates can directly or indirectly impact (negatively or positively) on investment returns. Interest rate based strategies in the Underlying Fund can rise or fall, in line with yield curve fluctuations. In general, the fixed rate debt security valuations increase when interest rates fall and decrease when interest rates rise.

Investment Specific Risk

The value of an investment can vary because of changes specific to that investment; for example, a circumstance or change impacting a particular issuer, sector or region in which the Underlying Fund has invested.

Legal Risk

The Trust and the Underlying Fund may be affected by the actions of governments and regulatory bodies. Legislation could be imposed retrospectively or may be issued in the form of internal regulations of which the public may not be aware. Legislation (including legislation relating to tax) or regulation may be introduced which inhibits the Trust or the Underlying Fund from pursuing its strategy or which renders an existing strategy less profitable than anticipated. Such actions may take any form, for example, nationalisation of any institution or restrictions on investment strategies in any given market sector (for example restrictions on short selling in the financial sector) or changing requirements (for example increased disclosure to market) and imposed without prior warning by any regulator. This risk is generally higher in developing countries.

Liquidity Risk

There may be times when securities may not be readily sold (for example, in a falling market where securities may become less liquid). If this occurs and it results in the Trust becoming illiquid, withdrawals of units from the Trust must be processed only in accordance with the Corporations Act. Trading volumes of stocks are generally expected to be sufficient to satisfy liquidity requirements when necessary.

Neither the Responsible Entity nor the Investment Manager nor the Delegated Investment Manager guarantees the liquidity of the Trust's investments.

Operational Risk

Operational risk addresses the risk of trading and back office or administration issues that may result in a loss to the portfolio. This could be the result of oversight, ineffective security processing procedures, computer system problems or human error. The Responsible Entity, the Investment Manager, the Delegated Investment Manager and the investment manager of the Underlying Fund have instituted certain practices and processes within their respective operations and business administrations designed to wherever possible mitigate the operational risk consequences that arise.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Trust's and Underlying Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

Political Risk

There may be high political risk in certain countries due to the fragile political environment of those countries. Political instability and/or political disturbances are more common in Emerging Markets than in developed nations. There may be higher economic risk from policy mistakes, as governments are less accountable than in developed nations. Examples of severe currency depreciation have also occurred in some nations.

Related party transactions and conflicts of interest

The Responsible Entity, the Investment Manager and their Related Entities are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Trust or with any company or body in which the Trust is invested or who provides services to the Trust. The Trust is also entitled to invest in the Investment Manager's Related Entities from time to time. However, neither the Investment Manager nor the Responsible Entity guarantees the investment performance outcome. Investor approval of these transactions is not required as such transactions will be on arm's length commercial terms. The Responsible Entity and its Related Entities are also permitted to hold units in any capacity. Related Entity transactions carry a risk that they could be assessed and reviewed less vigorously than transactions with other parties. The Responsible Entity and the Investment Manager have policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of Related Entity transactions.

Securitised Products Risk

The Underlying Fund may invest in securitised products, such as Mortgage-Backed Securities ("MBS"), Asset-Backed Securities ("ABS"), and other structured product such as Residential Mortgage-Backed Securities ("RMBS") and Commercial Mortgage-Backed Securities ("CMBS"). As a result, the Underlying Fund may be exposed to the following risks, interest rate risk, prepayment risk, term structure risk, credit and downgrading risk, liquidity risk and legal risk.

Security Selection Risk

The investment manager of the Underlying Fund may make poor investment decisions resulting in sub-standard returns (for example where the Underlying Fund invests in an investment that significantly underperforms the market). This risk is mitigated to some extent by the knowledge and experience of the investment manager of the Underlying Fund and the diversification of investments held in the portfolio.

Swing Pricing Risk

The Underlying Fund may suffer reduction of its net asset value due to investors purchasing, selling and/or switching in and out of the Underlying Fund at a price that does not reflect the dealing costs associated with the Underlying Fund's portfolio trades undertaken to accommodate such cash inflows or outflows. In order to mitigate this effect and enhance the protection of existing unit holders of the Underlying Fund, the mechanism known as "Swing Pricing" may be applied at the discretion of the Board of Directors of the Management Company of the Underlying Fund.

Timing Risk

As the Trust invests via the Underlying Fund, the Trust can only transact in or out of the Underlying Fund on days other than Saturday or Sunday on which banks are open for general business in Sydney and the Underlying Fund in Luxembourg is open for transactions. The Underlying Fund invests in markets globally and can only transact in or out of the applicable markets on days that these markets are open for trading.

Trust Risk

As with all managed funds, there are risks particular to the Trust including: that the Trust could be terminated, the fees and expenses could change, that Equity Trustees is replaced as Responsible Entity or that the Investment Manager or Delegated Investment Manager is replaced. There is also risk that investing in the Trust may give different results than investing directly in the securities because of income or capital gains accrued in the Trust and the consequences of withdrawals by other investors.

5. Additional labour, environmental, social and ethical considerations

The Trust is not designed for investors who have specific ESG considerations or goals. The integration of ESG considerations into the investment process in the Underlying Fund described below does not imply that the Trust is marketed or authorised as an ESG product in Australia.

Equity Trustees has delegated the investment function (including ESG considerations) to the Investment Manager. Labour standards, environmental, social and ethical considerations are taken into account when selecting, retaining or realising investments of the Underlying Fund.

The sustainable investment approach is incorporated at each step of the investment process of the Underlying Fund and includes the following elements:

Responsible business conduct standards: defined in BNPP AM's Responsible Business Conduct Policy ("RBC"). They include respecting:

- Norms-based screens: such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises. These two shared frameworks are recognised worldwide and applicable to all industry sectors. Companies that violate one or more of the principles are excluded from the Underlying Fund's investments, and those at risk of breaching them are closely monitored, and may also be excluded;
- BNPP AM sector policies: BNPP AM has also defined a series of guidelines relating to investments in sensitive sectors, listed in the RBC. Companies from these sensitive sectors that do not comply with the minimum principles specified in these guidelines are excluded from the Underlying Fund's investments. The sectors concerned include, but are not limited to, palm oil, wood pulp, mining activities, nuclear, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos. While BNPP AM has controls in place to oversee and review these guidelines, there is a risk that errors or undisclosed changes by an investee company may result in inadvertent exposure to excluded sectors.

The current version of the RBC Policy is available upon request from BNPP AMAU Client Services on 1800 267 726 (Australia) or +612 9619 6041.

ESG integration: It involves the evaluation of the below three non-financial criteria at the level of the companies in which the Underlying Fund invests:

- Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;
- Social: such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
- Governance: such as Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

ESG scores, as defined by an internal proprietary framework, are made available to assist in the ESG evaluation of securities' issuers. The ESG scoring framework assesses ESG characteristics of an issuer. Specifically, it produces:

- A company-level score based on a firm's performance on material ESG issues relative to peers.
- A global ESG score that aggregates the average ESG scores of the companies in a portfolio.

It is intended that the Underlying Fund maintains an average ESG score that is higher than the one of its investment universe as determined by BNPP AM's internal ESG scoring methodology. BNPP AM uses numerous research inputs and data sources (e.g. Sustainalytics, ISS & Trucost) to determine ESG scores. The third parties providing data may change from time to time at BNPP AM's discretion. While BNPP AM has controls in place to oversee and review information provided by these third parties, there is a risk that errors or undisclosed changes from third parties may result in inaccurate ESG scores.

Sovereign issuers

The Underlying Fund selects sovereign issuers based on their performance across the environmental, social and governance pillars. The ESG performance of each country is assessed using an internal Sovereign ESG methodology that focuses on measuring governments' efforts to produce and preserve assets, goods, and services with high ESG values, according to their level of economic development. This involves evaluation of a country against a combination of environmental, social and governance factors, which include but not limited to:

- Environmental: climate mitigation, biodiversity, energy efficiency, land resources, pollution
- Social: life conditions, economic inequality, education, employment, health infrastructure, human capital
- Governance: business rights, corruption, democratic life, political stability, security

BNPP AM's Global Sustainability Strategy places a strong emphasis on combatting climate change. Therefore, given the importance of sovereigns in addressing climate change, the internal Sovereign ESG methodology includes an additional scoring component that captures the country's contribution to progress towards the net-zero goals set out in the Paris Agreement. This additional scoring component reflects countries' commitment to future targets balanced by their current policies and their forward-looking physical climate risk exposure. It combines temperature alignment methodology for determining national contributions to climate change with an assessment of the laws and policies countries have in place for addressing climate change.

ESG integration is systematically applied to the Underlying Fund. The process to integrate and embed ESG factors in the investment decision making processes is guided by formal ESG integration guidelines.

Stewardship: It is designed to enhance the long-term value of shareholdings and the management of long-term risk for clients, as part of BNPP AM's commitment to act as an efficient and diligent steward of assets. Stewardship activities include the following categories of engagement:

- Company Engagement: the aim is to foster through dialogue with companies, corporate governance best practices, social responsibility and environmental stewardship. A key component of company engagement is voting at annual general meetings. BNPP AM publishes detailed proxy-voting guidelines on a range of ESG issues;
- Public Policy Engagement: BNPP AM aims to embed sustainability considerations more fully into the markets in which it invests and in the rules that guide and govern company behaviour as set out in its Public Policy Stewardship Strategy.

The current version of the Public Policy Stewardship Strategy is available upon request from BNPP AMAU Client Services on 1800 267 726 (Australia) or +612 9619 6041.

There is a risk that the Underlying Fund's portfolio of investments may not necessarily meet all of the ESG requirements at all times. Where BNPP AM determines that an investment is no longer suitable due to ESG considerations, BNPP AM may elect to divest such investment within a timeframe it considers reasonable in all the circumstances.

6. Additional information on how we invest your money

Structured Debt

The majority of the structured debt held within the Underlying Fund will be US agency backed or investment grade at the time of purchase and will be traded in regulated markets worldwide. In particular, the investment manager of the Underlying Fund expects much of this allocation to be focused on US agency backed structured debt where the principal and interest payments are guaranteed by one of the US government entities, Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), or their the Federal Home Loan Mortgage Corporation (Freddie Mac), or their successor institutions. Ginnie Mae, in particular, is backed by the US Federal Government, while Fannie Mae and Freddie Mac are implicitly guaranteed by the US government, and are currently under the conservatorship of the US Federal Housing Finance Agency (FHFA) – a US federal government agency.

Not to be confused with non-agency backed structured debt, given the principal and interest guarantee, the credit embedded in these securities is markedly lower making them suitable for risk averse portfolios.

If during a period in which these assets are held in the Underlying Fund, they fall below investment grade and/or in the event the Underlying Fund holds any distressed securities as a result of a restructuring event or any event beyond the control of the company, the investment manager of the Underlying Fund will assess the situation and, if necessary, promptly adjust the composition in order to preserve the best interest of the investors (in any case distressed securities will never represent more than 5% of the assets of the Underlying Fund).

The entire range of structured debt instruments that may be used in the Underlying Fund include:

- Agency mortgage-backed securities, being those issued by the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac), or their successor institutions
- Non-agency mortgage-backed securities
- Collateralized mortgage obligations, including interest-only ("IO"), inverse interest-only ("inverse IO"), and principal-only ("PO") mortgage strips, and other fixed-rate, floating-rate, and subordinated tranches
- Commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS") including consumer receivables – e.g auto loans, credit cards, student loans – and commercial receivables – e.g dealer floor plans, equipment leases, sea containers, cell towers)
- Covered bonds
- Credit default swap derivatives where the underlying is an ABS or CMBS, and baskets of these CDS ("ABX" and "CMBX" respectively), wholly or in tranches (synthetic structured debt)
- Mortgage-Backed Security derivatives.

7. Additional information on 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 investment 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 fees. Ask the Trust 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)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section 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 another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

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Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs ¹		

Type of fee or cost	Amount	How and when paid
Management fees and costs The fees and costs for managing your investment	0.55% p.a. of the NAV of the Trust ²	The management fees component of management fees and costs are accrued daily and paid from the Trust monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Trust as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	0.77% p.a. of the NAV of the Trust ²	Transaction costs are variable and deducted from the Trust as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at the interposed vehicle level are reflected in the value of the Trust's investment in the relevant interposed vehicle, and therefore reflected in the unit price.

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0.00% upon entry and 0.00% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Trust and are not separately charged to the investor. The Buy Spread is paid into the Trust as part of an application and the Sell Spread is left in the Trust as part of a withdrawal.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing investment options	Not applicable	Not applicable

¹ All fees quoted above are inclusive of Goods and Services Tax ("GST") and net of any Reduced Input Tax Credits ("RITC"). See below for more details as to how the relevant fees and costs are calculated.

² The indirect costs component of management fees and costs and transaction costs is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. Please see "Additional Explanation of Fees and Costs" below.

Additional Explanation of Fees and Costs

Management fees and costs

The management fees and costs include amounts payable for administering and operating the Trust, investing the assets of the Trust, expenses and reimbursements in relation to the Trust and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 0.39% p.a. of the NAV of the Trust is payable to the Responsible Entity of the Trust for managing the assets and overseeing the operations of the Trust. The management fees component is accrued daily and paid from the Trust monthly in arrears and reflected in the unit price. As at the date of the PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of management fees and costs of 0.16% p.a. of the NAV of the Trust may include other ordinary expenses of operating the Trust, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Trust invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Trust as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period.

In relation to the indirect costs that have been estimated, they have been estimated on the basis of information that has been provided by an interposed vehicle and adjusted for our calculations.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at www.eqt.com.au/insto where they are not otherwise required to be disclosed to investors under law.

Transaction costs

In managing the assets of the Trust, the Trust may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Trust, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Trust invests (if any), that would have been transaction costs if they had been incurred by the Trust itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Trust are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Trust.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Trust will incur when buying or selling assets of the Trust. When incurred, these costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Trust and are not separately charged to the investor. The Buy Spread is paid into the Trust as part of an application and the Sell Spread is left in the Trust as part of a withdrawal and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.00% upon entry and 0.00% upon exit. The dollar value of these costs based on an application or a withdrawal of \$25,000 is \$0 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.bnpparibas-am.com/en-au will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Trust's assets (and the Underlying Fund's assets) and are reflected in the Trust's unit price as an additional cost to the investor, as and when they are incurred. To the extent that the Trust invests in the Underlying Fund, it may be affected by Swing Pricing (as defined in the Reference Guide) adopted by the Underlying Fund. Swing Pricing involves the Underlying Fund making adjustments to its net asset value to compensate for the expected transaction costs resulting from the net trading in the Underlying Fund exceeding a certain threshold.

The gross transaction costs for the Trust are 0.77% p.a. of the NAV of the Trust, which is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period.

In relation to the transaction costs that have been estimated, they have been estimated on the basis of information that has been provided by an interposed vehicle and adjusted for our calculations. However, actual transaction costs for future years may differ.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 2.00% of the GAV of the Trust. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Trust and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Trust on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on 1800 267 726 (Australia) or +612 9619 6041 for further information.

Taxation

Please refer to Section 7 of the Product Disclosure Statement and Section 8 of this Reference Guide for further information on taxation.

8. Other important information

Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

A number of tax reform measures are currently under review by the Australian Government. These reforms may impact on the tax position of the Trust and its investors. Accordingly, it is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

General

The Trust is an Australian resident trust for Australian tax purposes. Therefore, the Trust is required to determine its net income (taxable income) for the year of income. On the basis that investors are presently entitled (which is the intention of Equity Trustees) to the net income of the Trust (including net taxable capital gains) or will be attributed their share of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Trust and the Trust is not a public trading trust, the Trust should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their share of the Trust's net taxable income or the amount attributed to them, and the Trust should not be subject to Australian income tax.

In the case where the Trust makes a loss for Australian tax purposes, the Trust cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

Attribution Managed Investment Trust (“AMIT”) – core rules

The Trust may qualify as an eligible Attribution Managed Investment Trust (AMIT), and if so, intends to elect into the AMIT regime. The AMIT legislation applies an attribution model whereby Equity Trustees as the Responsible Entity of the Trust attributes amounts of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Trust's Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

Fair and reasonable attribution: Each year, the Trust's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a “fair and reasonable” attribution basis, rather than being allocated proportionally based on each investor's present entitlement to the income of the Trust.

Unders or overs adjustments: Where the Trust's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustments will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement (“AMMA”).

Large withdrawals: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the withdrawing investor.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors. Where the Trust does not elect into the AMIT regime, or has made the election but the election is not effective for the income year (e.g. the Trust does not satisfy the requirements to be a managed investment trust for the income year), the Tax Law applicable to non-AMITs should be relevant. In particular, the Trust should not generally pay tax on behalf of its investors and instead, investors should be assessed for tax on any income and capital gains generated by the Trust to which they become presently entitled.

Deemed Capital Gains Tax (“CGT”) Election

Eligible managed investment trusts (“MITs”) may make an election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives, debt securities and foreign exchange contracts). Where the election is made the Trust should hold its eligible investments on capital account and gains/(losses) from the disposal of eligible investments should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

Where the CGT election is not made, the Trust should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

Controlled Foreign Company (“CFC”) Provisions

There are certain tax rules (i.e. the CFC provisions) which may result in assessable income arising in the Trust in relation to investments in foreign equities, where certain control thresholds are met. If such interests were to be held at the end of the income year, the taxable income of the Trust may include a share of net income and gains (i.e. CFC attributable income) from such investments.

Taxation of Financial Arrangements (“TOFA”)

The TOFA rules may apply to certain “financial arrangements” held by the Trust. In broad terms, the TOFA regime seeks to recognise “sufficiently certain” returns on certain financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from derivative instruments are not “sufficiently certain” they will continue to be recognised on a realisation basis, unless specific tax timing elections are made.

Taxation Reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Trust and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

Tax File Number (“TFN”) and Australian Business Number (“ABN”)

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the investor authorises Equity Trustees to apply it in respect of all the investor's investments with Equity Trustees. If the investor does not want to quote their TFN or ABN for some investments, Equity Trustees should be advised.

GST

The Trust is registered for GST. The issue or withdrawal of units in the Trust and receipt of distributions are not subject to GST.

The Trust may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Trust. However, to the extent permissible, the Responsible Entity will claim on behalf of the Trust a proportion of this GST as a reduced input tax credit. Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available reduced input tax credits. The Trust may be entitled to as yet undetermined additional input tax credits on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on behalf of the Trust, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the unit price of the Trust. Investors should seek professional advice with respect to the GST consequences arising from their unit holding.

Australian Taxation of Australian Resident Investors

Distributions

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Trust attributed to them by Equity Trustees as the Responsible Entity of the Trust.

The tax consequences for investors in the Trust depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Trust attributed to them.

Investors will receive an Annual Tax Statement (or an “AMMA” for an AMIT) detailing all relevant taxation information concerning attributed amounts and cash distributions, including any Foreign Income Tax Offset (“FITO”) and franking credit entitlements, returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their units in the Trust (in the case of an AMIT).

An investor may receive their share of attributed tax components of the Trust or net income in respect of distributions made during the year or where they have made a large withdrawal from the Trust, in which case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian investors can move into and out of the Trust at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

The Trust may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or withdraws their units in the Trust, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Trust on capital account, a capital gain or loss may arise on disposal and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 & 1/3% for complying Australian superannuation funds may be allowed where the units in the Trust have been held for 12 months or more. No CGT discount is available to corporate investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units of the Trust, the Trust has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Trust should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Tax on Income

The Trust expects to derive income which may be subject to Australian withholding tax when attributed by Equity Trustees as the Responsible Entity of the Trust to non-resident investors.

Australian withholding tax may be withheld from distributions of Australian source income and gains attributed to a non-resident investor. The various components of the net income of the Trust which may be regarded as having an Australian source include Australian sourced interest, Australian sourced other gains, Australian sourced dividends and CGT taxable Australian property.

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement (“EOI”) between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Trust’s investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian CGT on the disposal of units in the Trust unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Trust has a direct or indirect interest in Australian real property. We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) (“Privacy Act”) regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Trust, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees’ Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees’ Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees’ Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

The Constitution

The Trust is governed by a constitution that sets out the Trust’s operation (the “Constitution”). The Constitution, together with the Trust’s PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Trust. If you invest in the Trust, you agree to be bound by the terms of the Trust’s PDS and the Trust’s Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Trust.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

Anti-Money Laundering and Counter Terrorism Financing (“AML/CTF”)

Australia’s AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Trust.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation (“KYC Documents”) from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Indirect Investors

You may be able to invest indirectly in the Trust via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Trust and not an investor or member of the Trust. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator’s application and withdrawal conditions determine when you can direct the IDPS Operator to apply or withdraw. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Information on underlying investments

Information regarding the underlying investments of the Trust will be provided to an investor of the Trust on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Foreign Account Tax Compliance Act (“FATCA”)

In April 2014, the Australian Government signed an intergovernmental agreement (“IGA”) with the United States of America (“U.S.”), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (“ATO”). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Trust, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Trust suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Trust.

Common Reporting Standard (“CRS”)

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

9. Glossary

ABN

Australian Business Number.

Additional Investment Form

The form used by investors who wish to subscribe for additional units directly in the Trust. Available from the Online Existing Investor Portal at www.bnpparibas-am.com/en-au or by calling BNP Paribas Asset Management’s Client Services on 1800 267 726 (Australia) or +612 9619 6041.

AFSL

Australian Financial Services Licence.

APIR Code

This is a unique code for products in the financial services industry.

Application Form

The relevant application form used by applicants who wish to subscribe for units directly in the Trust, either the form accompanying this PDS or an online application form (when available). Please refer to www.bnpparibas-am.com/en-au or call BNP Paribas Asset Management's Client Services on 1800 267 726 (Australia) or +612 9619 6041.

APRA

Australian Prudential Regulation Authority.

ARSN

Australian Registered Scheme Number.

ASIC

Australian Securities and Investments Commission.

Asset-Backed Securities (ABS)

Securities backed by the cash flows of a pool of assets (mortgage and nonmortgage assets) such as home equity loans, company receivables, truck and auto loans, leases, credit card receivables and student loans. ABS are issued in tranching format or as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Therefore, repayment depends largely on the cash flows generated by the assets backing the securities.

ATO

Australian Taxation Office

AUD or \$

Australian dollars.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

BNPP AM

The BNP Paribas Asset Management Group.

BNP Paribas Funds

The Luxembourg-domiciled BNP Paribas Funds SICAV.

Business Day

A day other than a Saturday or Sunday on which banks are open for general banking business in a) Sydney, NSW and b) Luxembourg.

Commercial Mortgage Backed Security (CMBS)

Security created by pooling a group of (non-residential) mortgages on commercial real estate, office building, warehousing facilities, multi-family real estate. CMBS are structured so there are several classes of bondholders with varying credit qualities called tranches.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Trust, as amended from time to time.

Corporations Act

The Australian Corporations Act 2001 (Cth), as amended from time to time.

Currency Hedging

A technique used to offset the risks associated with the changing value of currency.

Custodian and Administrator

The securities services business of BNP Paribas.

Delegated Investment Manager or BNPP AM Asia

BNP PARIBAS ASSET MANAGEMENT Asia Limited.

Emerging Markets

Developing countries with relatively low per capita income, often with above-average economic growth potential. Many Latin American, Eastern European and Asian countries are considered Emerging Markets.

Gross Asset Value (GAV)

The value of the assets of the Trust without taking into account the liabilities of that Trust.

Hedge(s), Hedging, Hedged

An investment is made in an effort to reduce the risk of adverse price movements in a security by taking an offsetting position in another investment.

IDPS

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

IDPS Operator

An entity that operates and offers an IDPS.

Indirect Investors

Individuals who invest in a Trust through an IDPS.

Investment Manager or BNP Paribas Asset Management Australia or BNPP AMAU

BNP PARIBAS ASSET MANAGEMENT Australia Limited.

Management Company

The management company of BNP Paribas Funds, namely BNP PARIBAS ASSET MANAGEMENT Luxembourg.

Mortgage-Backed Security (MBS)

A type of security that is backed (collateralised) by a mortgage loan or collection of mortgages loan with similar characteristics. These securities usually pay periodic payments that are similar to coupon payments; the mortgage must have originated from a regulated and authorized financial institution.

Net Asset Value (NAV)

The value of assets of a particular Trust, less the value of the liabilities of that Trust.

OECD

Organisation for Economic Co-operation and Development

SICAV

A Société d'investissement à Capital Variable, or SICAV, is a publicly-traded open-end investment fund structure offered in Europe.

Swing Pricing

Swing Pricing involves the Underlying Fund making adjustments to its net asset value to compensate for the expected transaction costs resulting from the net trading in the Underlying Fund exceeding a certain threshold.

Related Entity

Has the meaning given in the Corporations Act.

Residential Mortgage-Backed Security (RMBS)

A type of mortgage-backed debt obligation created by banks and other financial institutions whose cash flows come from residential debt, such as mortgages, home-equity loans and subprime mortgages.

Retail Client

Persons or entities defined as such under section 761G of the Corporations Act.

Underlying Fund

BNP Paribas Funds Global Absolute Return Bond, a sub-fund of the Luxembourg-domiciled BNP Paribas Funds SICAV.

US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the US, its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

- (c) any agency or branch of a foreign entity located in the US; or
- (d) a pension plan primarily for US employees of a US Person; or
- (e) a US collective investment vehicle unless not offered to US Persons; or
- (f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- (g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- (h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or
- (i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

UCITS/UCI

Undertaking for Collective Investment in Transferable Securities or Undertaking for Collective Investment.

We, us

Refers to Equity Trustees.

Wholesale Client

Persons or entities defined as such under section 761G of the Corporations Act.