

# Contrarius Australia Equity Fund

ARSN 664 226 331

## Reference Guide 19 February 2025

Issued by Equity Trustees Limited Ph: +61 3 8623 5000

ABN 46 004 031 298, AFSL 240975

### About this document

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ABN 46 004 031 298, AFSL No. 240975 ("Equity Trustees", "we" or "Responsible Entity"). The information in this document forms part of the Product Disclosure Statement ("PDS") for the Contrarius Australia Equity Fund ("Fund") dated 19 February 2025.

Contrarius Investment Advisory Pty Limited ABN 48 618 145 449, AFSL No. 506315, ("Contrarius Australia" or "Investment Manager") is the Fund's investment manager.

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

Information in the PDS and this RG is subject to change. Before making an investment in the Fund, you should ensure that you have read the current PDS and RG as at the date of your investment.

You can request a copy of the PDS and RG by visiting [www.contrarius.com.au](http://www.contrarius.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or by calling +61 3 8623 5000. A paper copy of the updated information may also be provided free of charge on request.

### Contents

1.	Important information	2
2.	Key features of the Fund	7
3.	Risks of managed investment schemes	9
4.	Investing and withdrawing	11
5.	Keeping track of your investment	15
6.	Additional information on fees and costs	16
7.	Glossary of important terms	20

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## 1. Important information

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### 1.1 Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund 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 Fund 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 Fund.

#### General

The Fund is an Australian resident trust for Australian tax purposes. Therefore, the Fund 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 Fund (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 Fund and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their share of the Fund's net taxable income or the amount attributed to them, and the Fund should not be subject to Australian income tax.

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

#### Attribution Managed Investment Trust ("AMIT") – core rules

The Fund 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 Fund attributes amounts of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Fund's Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

- Fair and reasonable attribution: Each year, the Fund'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 Fund.
- Unders or overs adjustments: Where the Fund'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 redeeming 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund. 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 the PDS is based on the taxation legislation and administrative practice as at the issue date of the 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 Fund 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 Fund.

### **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.

### **Goods and Services Tax ("GST")**

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

The Fund may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit. Unless otherwise stated, fees and charges quoted in the PDS are inclusive of GST and take into account any available reduced input tax credits. The Fund 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 Fund, 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 Fund. 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 Fund attributed to them by Equity Trustees as the Responsible Entity of the Fund.

The tax consequences for investors in the Fund depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund 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 Fund (in the case of an AMIT).

An investor may receive their share of attributed tax components of the Fund or net income in respect of distributions made during the year or where they have made a large withdrawal from the Fund, 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 Fund 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 Fund 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 redeems their units in the Fund, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Fund 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 Fund 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 Fund, the Fund 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 Fund should seek advice on this issue.

## **Australian Taxation of Non-Resident Investors**

### **Tax on Income**

The Fund expects to derive income which may be subject to Australian withholding tax when attributed by Equity Trustees as the Responsible Entity of the Fund 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 Fund 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 Fund'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 Fund 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 Fund 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.

## **1.2 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 Fund, including the Investment Manager (and its affiliates), Distributor, 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](http://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](mailto:privacy@eqt.com.au).

## **1.3 The Constitution**

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund'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 Fund.

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

#### 1.4 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 Fund.

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

#### 1.5 Indirect investors

You may be able to invest indirectly in the Fund 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 Fund and not an investor or member of the Fund. 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 redeem. Different initial investment, additional investment, and withdrawal minimums may also apply. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

#### 1.6 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.

#### 1.7 Information on underlying investments and disclosure of material information

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund 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.

We will publish material information on [www.contrarius.com.au](http://www.contrarius.com.au) and [www.eqt.com.au](http://www.eqt.com.au). We will do so as soon as possible after becoming aware of the information. In addition, we will notify you in writing of any changes that may have a materially adverse impact or any other significant event that affects the information contained in this document or the PDS.

#### 1.8 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 Fund, 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 Fund 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 Fund.

#### 1.9 Valuation of the Fund and the Classes

The Fund's assets are valued primarily on the basis of closing market prices on each Business Day (as defined in Section 7).

The value of a unit in a Class of the Fund is determined by the Net Asset Value ("NAV") of the relevant Class. This is calculated by deducting from the gross value of the Fund assets referable to the Class the value of the liabilities of the Fund referable to the Class (not including any unitholder liability). Generally, investments will be valued on each Business Day at their market value but other valuation methods and policies may be applied by Equity Trustees if appropriate or if otherwise required by law or applicable accounting standards.

The Application Price of a unit in a Class of the Fund is based on the NAV of the Class divided by the number of units on issue in the Class. The Responsible Entity can also make an allowance for transaction costs required for buying investments when an

investor acquires units; this is known as the Buy Spread. At the date of the PDS, the Buy Spread is 0.20%. The Application Price will vary as the market value of assets in the Fund rises or falls.

The Withdrawal Price of a unit in a Class of the Fund is based on the NAV of the Class divided by the number of units on issue in the Class. The Responsible Entity can also make an allowance for transaction costs required for selling investments when an investor makes a withdrawal; this is known as the Sell Spread. At the date of the PDS, the Sell Spread is 0.20%.

The Buy/Sell Spread can be altered by the Responsible Entity at any time and the Investment Manager's website 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.

You can find the relevant Class' NAV and daily unit prices at [www.contrarius.com.au](http://www.contrarius.com.au).

## 2. Key features of the Fund

### 2.1 Overview of the Fund

Responsible entity	Equity Trustees Limited	
Investment manager	Contrarius Investment Advisory Pty Limited ("Contrarius Australia")	
Administrator and custodian	BNP Paribas Australia	
Investment objective <sup>1</sup>	The Fund aims to achieve long term returns that are higher than the Benchmark.	
Benchmark	S&P/ASX 300 Accumulation Index	
Minimum suggested investment timeframe	More than 5 years	
Risk level	High – Very High	
Minimum initial investment in a Class <sup>2</sup>	\$10,000	
Minimum additional investments in a Class <sup>2</sup>	\$1,000	
Minimum investment balance <sup>2</sup>	\$10,000	
Minimum withdrawal amount <sup>2</sup>	\$1,000	
Transaction cut-off time	2pm Sydney time on a Business Day	
Fees and expenses <sup>3,4,5</sup>	<b>Class A</b>	<b>Class B</b>
	<u>Fixed (base) fee:</u> 0.77% p.a. on the net asset value of the Fund. <u>Performance fee:</u> 20.50% of the Fund's outperformance relative to the Benchmark (after deduction of management fees and costs), subject to a high watermark.	<u>Fixed (base) fee:</u> 0.00% p.a. on the net asset value of the Fund. <u>Performance fee:</u> 35.88% of the Fund's outperformance relative to the Benchmark (after deduction of management fees and costs), subject to a high watermark.
Buy-sell spread	+0.20% / -0.20%	
Distribution frequency	Distributions are payable annually at the end of June.	

<sup>1</sup>The investment objective is expressed after the deduction of management fees, expense recoveries and taxation, i.e. the investment objective is measured relative to the Fund's benchmark, after fees and costs and taxes are deducted from the Fund's performance. Refer to Section 6 for further information on fees and costs and Sections 6 and 7 of the relevant Fund PDS for further information on fees and costs and taxation. The investment objective is not intended to be a forecast; it is only an indication of what the investment strategy aims to achieve over the medium to long term, assuming financial markets remain relatively stable during that time. The Fund may not achieve its investment objective and returns are not guaranteed.

<sup>2</sup> Or less at the discretion of the Responsible Entity.

<sup>3</sup> All fees quoted above are inclusive of Goods and Services Tax ("GST") and net of any Reduced Input Tax Credits ("RITC").

<sup>4</sup> In addition to the fixed (base) fee, both Classes pay their share of the usual operating expenses of the Fund. Such expenses are capped at 0.21% p.a. of class NAV. Refer to Section 6 for further information.

<sup>5</sup> Fees and costs may be negotiated for certain investors such as Wholesale Clients (as defined in the Corporations Act), depending on factors such as the amount invested. Please see "Differential fees" in Section 6.3 for further information.

### 2.2 Investment strategy

The Fund employs Contrarius Australia's valuation-based, contrarian investment philosophy to identify Australian shares, based on defined investment guidelines set out in the PDS. The key characteristics of Contrarius Australia's investment philosophy is best summarised as being valuation based, contrarian and long-term.

- **Valuation based:** Shares are selected following detailed proprietary fundamental research conducted by Contrarius Australia's team of investment analysts based in Australia. This 'bottom-up' fundamental research seeks to determine the underlying intrinsic value of a share. Contrarius Australia seeks to invest in shares that it believes are trading below their underlying intrinsic value and which are considered to be attractive relative to other available opportunities it has evaluated. The larger the discount at which a share trades to its underlying intrinsic value, the more attractive it is assessed to be. Contrarius Australia seeks to sell shares that it believes have reached their underlying intrinsic value or which are less attractive than other opportunities it has evaluated. Contrarius Australia also utilises advice from the Contrarius Group.
- **Contrarian:** The Fund adopts a contrarian investment approach which remains focused on considering the underlying intrinsic value of a company's shares, irrespective of current market sentiment. These shares may be out of favour with the market as a result of short-term negative sentiment. As a result of this contrarian approach, the Fund's investments may be expected to typically look very different from those of the broad market.
- **Long-term:** Contrarius Australia takes a long-term approach to investing, with a typical investment horizon of more than five years. It is believed that the ability to outperform in the long-term is largely determined by focusing on the long-term value of a business rather than short-term news flow. In the short-term stock prices tend to be driven primarily by market sentiment and the immediate earnings outlook rather than the underlying value of the business. With a long-term perspective, the Fund is able to be patiently managed with a consistent application of the contrarian investment philosophy.



### **2.3 Investment guidelines**

The Fund has specific investment guidelines described in Section 5 'How we invest your money' of the PDS. Contrarius Australia is allowed to make an investment which is not consistent with the investment guidelines if Equity Trustees and Contrarius Australia agree that the investment is not a material departure from the investment guidelines. Further, the investment guidelines are measured at the time of investment. It is not necessary for Contrarius Australia to make changes to the Fund's investments to adjust for subsequent market movements or other subsequent events in order to remain within these investment guidelines.

Where the Fund invests in equity-linked securities, or exchange traded fund, the investment guidelines set out in the PDS shall be interpreted by 'looking through' to the underlying investments, where appropriate.

### **2.4 Unlisted securities**

The Fund may from time to time invest in unlisted shares or equity-linked securities which are expected to become publicly listed in the future or received due to corporate actions or corporate restructures.

### **2.5 Labour standards and environmental, social and ethical considerations**

Contrarius Australia believes that a prerequisite for a sound investment philosophy is that it is sustainable. Our research efforts are directed at uncovering companies that are trading below their underlying intrinsic value. As part of the investment process, Contrarius Australia considers a range of factors that might affect a company's intrinsic value, including environmental, social and ethical ("ESG") considerations. ESG considerations are taken into account to the extent that they may have a material impact on the long-term financial value of an investment. Securities may not typically be automatically excluded from the investable universe purely as a result of ESG factors and the Fund may invest in securities with a potentially higher exposure to ESG risks where it is believed the potential return outweighs the risks identified.

More information on our investment process and our approach to responsible investing is available at [www.contrarius.com.au](http://www.contrarius.com.au).



### 3. Risks of managed investment schemes

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**All investments carry risks.** Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

The significant risks for the Fund are:

**Company specific risk:** Investments by the Fund in a company's securities will be subject to many of the risks to which that particular company is itself exposed. These risks may impact the value of the securities of that company. These risks include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends.

**Concentration risk:** As the Fund will hold a concentrated portfolio of investments, returns of the Fund may be dependent upon the performance of individual companies. The concentrated exposure may lead to increased volatility in the Fund's unit price, and increased risk of poor performance.

**Counterparty risk:** The Fund may have credit exposure to counterparties by virtue of investment positions in options, repurchase transactions and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

**Conflicts of interest risk:** Equity Trustees and its various service providers may from time to time act as issuer, investment manager, custodian, unit registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Fund. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal account trading. It is possible that either Equity Trustees or its service providers may have potential conflicts of interest with the Fund. Equity Trustees and Contrarius Australia or any of its affiliates may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Fund. Neither Equity Trustees, Contrarius Australia or any of its affiliates or any person connected with them is under any obligation to offer investment opportunities to the Fund. Equity Trustees and Contrarius Australia maintain Conflicts of Interest Policies to ensure that each manages its obligations to the Fund such that all conflicts (if any) are resolved fairly.

**Fund risk:** Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The performance of the Fund or the security of an investor's capital is not guaranteed. There is no guarantee that the investment strategy of the Fund will be managed successfully, or will meet its objectives. Failure to do so could negatively impact the performance of the Fund. An investment in the Fund is governed by the terms of the Fund's Constitution and the PDS, each as amended from time to time. Equity Trustees may elect, in accordance with the Fund's Constitution and the Corporations Act 2001, to terminate the Fund for any reason.

**Key personnel risk:** The skill and performance of Contrarius Australia as investment manager can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources of Contrarius Australia may also have a material impact on investment returns on the Fund.

**Liquidity of investments risk:** Whilst the Fund is primarily exposed to listed securities which are generally considered to be liquid investments, under extreme market conditions there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations, including payment of withdrawals, within required timeframes or it may be required to sell assets at a substantial loss in order to do so. Neither Equity Trustees nor the Investment Manager guarantees the liquidity of the Fund's investments.

**Market risk:** There is a risk that the market price of the Fund's assets will fluctuate. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues.

**Multiple unit class risk** The Fund offers separate classes of units for investment. The classes are not separate legal entities and the assets of each class will not be segregated. All of the assets of the Fund are available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability will usually only arise where any separate class becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to other separate classes may be applied to cover the liabilities of the insolvent classes. If losses or liabilities are sustained by a class in excess of the assets attributable to such class, such excess may be apportioned to the other classes.

**Operational risk:** Operational risk includes those risks which arise from carrying on a funds management business. The operation of the Fund requires Equity Trustees, the Investment Manager, the custodian, the unit registry, the administrator and other service providers to implement sophisticated systems and procedures. Some of these systems and procedures are specific to the operation of the Fund. Inadequacies with these systems and procedures or the people operating them could lead to a problem with the Fund's operation and result in a decrease in the value of units.

**Performance risk:** There is a risk that the Fund may not achieve its investment objectives.

**Regulatory risk:** There is a risk that a change in laws and regulations governing a security, sector or financial markets could have an adverse impact on the Fund or on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

**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 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.

## 4. Investing and withdrawing

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### 4.1 Applying for Units

To apply for units in the Fund directly, please read this Reference Guide together with the current Product Disclosure Statement for the relevant Class of Fund, available from [www.contrarius.com.au](http://www.contrarius.com.au).

The minimum initial investment amount for a Class of the Fund is \$10,000.

#### How to make an initial investment

1. Complete all relevant sections of the Application Form as well as the Identification Form and Tax Information Form, available from [www.contrarius.com.au](http://www.contrarius.com.au).
2. Post the completed Application Form together with supporting identification documents to:  
Contrarius Funds Unit Registry  
GPO Box 804, Melbourne VIC 3001, Australia
3. Transfer the application money electronically to the Fund. The Fund only accepts money in Australian dollars.

You may be able to invest indirectly in the Fund 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. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. 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 redeem. Your rights as an Indirect Investor should be set out in the disclosure document issued by the IDPS Operator.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the relevant Class of the Fund, divided by the number of units on issue in that Class and adjusted for transaction costs ("Buy Spread"). At the date of the PDS, the Buy Spread is 0.20%. The Application Price will vary as the market value of assets in the Fund rises or falls.

#### How to make an additional investment

You can make additional investments into the Fund at any time.

The minimum additional investment amount for a Class of the Fund is \$1,000.

If you already hold an investment in the Fund, you do not need to complete the Application Form or provide further copies of supporting identification documents. Instead, you should:

1. Complete the Additional Investment Form available from [www.contrarius.com.au](http://www.contrarius.com.au), ensuring that you include your account number.
2. Email a copy of your Additional Investment Form to [contrarius.forms@unitregistry.com.au](mailto:contrarius.forms@unitregistry.com.au).
3. Transfer the additional investment money electronically to the Fund. The Fund only accepts money in Australian dollars.

### 4.2 Application cut-off times

If we receive a correctly completed Application Form, supporting 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
- at 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.

We will only start processing an application if:

- we consider that you have correctly completed the Application 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.

The time it takes for application money to clear varies depending on how you transfer the money (see Section 4.3 'Transferring application or additional investment money') and your bank. It is your responsibility to ensure that you have sufficient funds in your bank account to ensure that the direct debit can be processed and we will not be liable for any overdraft bank charges.

### 4.3 Transferring application or additional investment money

If you apply directly and not via an IDPS, you can send your application money or additional investment money to us by Electronic Funds Transfer ("EFT") or direct deposit into the Fund's bank account.

Contrarius Australia Equity Fund – Class A, Class B	
Account name:	CONTRARIUS APPLICATIONS TRUST
Bank name:	National Australia Bank
Bank address:	500 Bourke Street, Melbourne, Victoria, Australia 3000
Bank BSB:	083-001
SWIFT:	NATAAU3303M
Account number:	189893489
Payment reference:	[Name on Application Form for new investors, or account number for existing investors]

### 4.4 Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in Sections 4.1 and 4.2 above.

Equity Trustees reserves the right to accept application amounts for less than the minimum initial or additional investment amounts. We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors. No interest is payable for any delay (whatever the reason) associated with processing your application or other transaction request. Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance. Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

### 4.5 Making a withdrawal

Direct investors can generally redeem some or all of your investment at any time, as long as the withdrawal request is for at least \$1,000. To do this:

1. Complete all relevant sections of the Redemption Request Form, available from [www.contrarius.com.au](http://www.contrarius.com.au). You can request a specified dollar amount to be withdrawn, a specified number of units to be withdrawn, or a full withdrawal of your investment in the Fund.
2. Send your completed withdrawal request to us by post or email according to the details below:  
Send by post: Contrarius Funds Unit Registry  
GPO Box 804, Melbourne VIC 3001, Australia  
Scan and email to: [contrarius.forms@unitregistry.com.au](mailto:contrarius.forms@unitregistry.com.au)  
Please include your account number in the subject line of your email.

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 will generally allow an investor to receive payment within 7 Business Days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account. However, the Constitution allows us to reject withdrawal requests and also to make payment up to 21 days after acceptance of a withdrawal request (which may be extended in certain circumstances).

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the relevant Class of the Fund, divided by the number of units on issue in that Class and adjusted for transaction costs ("Sell Spread"). At the date of this RG, the Sell Spread is 0.20%. The Withdrawal Price will vary as the market value of assets in the Fund rises or falls. Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

Equity Trustees reserves the right to accept withdrawal requests for amounts less than the minimum withdrawal amount. Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Class falls below \$10,000 as a result of processing your withdrawal request. Equity Trustees can deny a withdrawal request or suspend consideration of a withdrawal request in certain circumstances, including where accepting the request is not in the best interests of investors in the Fund or where the Fund is not liquid (as defined in the Corporations Act). When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

If you have invested indirectly in the Fund through an IDPS, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

#### 4.6 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
- at 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.

See also Section 4.8 below for information about additional notice requirements that will apply to large withdrawal requests.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion. We have the discretion to delay processing withdrawal requests where we believe this to be in the best interest of the Fund's investors.

#### 4.7 Access to funds

Except where the Fund is not liquid (see below), the Responsible Entity will generally allow investors to access their funds within 7 Business Days of receipt of a Redemption Request Form for the relevant amount.

However, the Constitution of the Fund allows the Responsible Entity to make payment up to 21 days after receipt of a Redemption Request Form, and this period can be extended at the discretion of Equity Trustees in accordance with the Constitution.

The Responsible Entity reserves the right to postpone the processing and payment of withdrawals for the Fund subject to the above extensions of time.

Where the Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. The Fund will cease to be liquid if less than 80% of its assets are liquid assets. Broadly, liquid assets include money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

#### 4.8 Terms and conditions for withdrawals

The minimum withdrawal amount for a Class in the Fund is \$1,000. Where a withdrawal request takes the balance for that Class below the minimum level of \$10,000, the Responsible Entity may require you to redeem the remaining balance of your investment. Equity Trustees has the right to change the minimum holding amount.

The Responsible Entity can deny a withdrawal request in whole or in part. The Constitution also gives Equity Trustees the right to fully redeem your investment in the Fund if it has reasonable grounds to suspect that your continued holding of units would otherwise expose the Fund to consequences which are detrimental to unit holders as a whole. Equity Trustees also has the right to redeem units in satisfaction of amounts owed by an investor to the Fund, including in respect of tax. Equity Trustees will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawal payments will not be made to third parties (including authorised nominees), and will only be paid directly to the investor's bank account held in the name of the investor at a branch of an Australian domiciled bank. By lodging a facsimile or email withdrawal request the investor releases, discharges and agrees to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile or email withdrawal request.

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

- 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.
- We may contact you to check your details before processing your withdrawal request. 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.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- You agree that if the payment is made according to all the terms and conditions for withdrawals set out in the PDS, you and any person claiming through or under you, shall have no claim against Equity Trustees or the Investment Manager in relation to the payment.
- If you are seeking to withdraw units to the value of at least 5% of the Fund's NAV, we must receive your Redemption Request Form at least 10 Business Days prior to the day you want your withdrawal to be processed.

Investors will be notified of any material change to their withdrawal rights (such as any suspension of their withdrawal rights) in writing.

#### 4.9 Transfer of units

With Equity Trustee's consent, investors may transfer their units to another person or entity.

To transfer your units to another person or entity, send to us a completed Transfer Form available from [www.contrarius.com.au](http://www.contrarius.com.au). If the transfer is to an existing investor, please ensure that you advise us of the transferee's account number and account name. If the transfer is to a new investor to the Contrarius Australia Funds, the new investor must complete the Application Form and provide all relevant identification documents.

A transfer is processed by us at the NAV unit price, which means no Buy/Sell Spread is applied.

Equity Trustees may in its sole discretion refuse to register or process the transfer. An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period.

#### 4.10 Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period.

The Fund usually distributes income annually. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

#### **4.11 Authorised signatories**

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the Application Form and have them complete and 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;
- requesting income distribution instructions to 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.

#### **4.12 Joint account operation**

If you are applying as joining applicants, your investment in the Fund will be held as joining tenants and not tenants in common.

#### **4.13 Electronic instructions**

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or internet, 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 Fund 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.

## 5. Keeping track of your investment

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### 5.1 Reporting

Investors will be provided with the following reports:

- transaction confirmation statements (provided when the transaction occurs or on request);
- quarterly investor report (available on the Contrarius Australia website or provided on request);
- annual audited accounts for each period ended 30 June (available on the websites of Contrarius Australia and Equity Trustees); and
- distribution, tax and confirmation of holding statements (where applicable).

### 5.2 Online services

Contrarius Australia provides you with an easy and convenient way to:

- check the total value of your investment; and
- review your recent transaction history.

Please visit [www.contrarius.com.au](http://www.contrarius.com.au) to register for online account access. This service is available to investors who apply directly.

### 5.3 Continuous disclosure obligations

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of the PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.



## 6. 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 fund or your financial adviser.

### TO FIND OUT MORE.

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

### 6.1 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.

### 6.2 Fees and costs summary

<b>Contrarius Australia Equity Fund – Class A</b>		
<b>Contrarius Australia Equity Fund – Class B</b>		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<b>Management fees and costs<sup>2</sup></b> The fees and costs for managing your investment	<p><u>Contrarius Australia Equity Fund – Class A:</u> 0.98% of the NAV of the Class comprised of:</p> <ul style="list-style-type: none"> <li>A fixed (base) fee of 0.77% of the NAV of the Class p.a. payable to Contrarius Australia for managing the Fund's assets.</li> <li>Management costs (expenses) of 0.21% of the NAV of the Class p.a., relating to Fund expenses such as responsible entity fees, custody fees, and customary professional fees (for example audit, tax and legal fees) incurred by the Fund.</li> </ul> <p><u>Contrarius Australia Equity Fund – Class B:</u> 0.21% of the NAV of the Class comprised of:</p> <ul style="list-style-type: none"> <li>A Nil fixed (base) fee.</li> <li>Management costs (expenses) of 0.21% of the NAV of the Class p.a., relating to Fund expenses such as responsible entity fees, custody fees, and customary professional fees (for example audit, tax and legal fees) incurred by the Fund.</li> </ul>	<p>The management fees component of management fees and costs is accrued daily and paid from the Class monthly in arrears and reflected in the unit price of the Class. The costs component of management fees and costs is variable and accrued daily, paid from the Class as those costs are incurred and is reflected in the unit price of the Class.</p> <p>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.</p>
<b>Performance fees<sup>3</sup></b> Amounts deducted from your investment in relation to the performance of the product	<p><u>Contrarius Australia Equity Fund – Class A:</u> 0.67% of the NAV of the Class The performance fee is 20.50% of the extent to which the Class outperforms its benchmark (after deduction of management fees and costs).</p> <p><u>Contrarius Australia Equity Fund – Class B:</u> 0.93% of the NAV of the Class The performance fee is 35.88% of the extent to which the Class outperforms its benchmark (after deduction of management fees and costs).</p>	Performance fees are calculated and accrued daily and paid monthly in arrears from the Class and are reflected in the unit price of the Class.
<b>Transaction costs<sup>4</sup></b> The costs incurred by the scheme when buying or selling assets	<p><u>Contrarius Australia Equity Fund – Class A:</u> 0.07% of the NAV of the Class</p> <p><u>Contrarius Australia Equity Fund – Class B:</u> 0.07% of the NAV of the Class</p>	Transaction costs are variable and deducted from the Fund as and when they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the Buy/Sell Spread.
<b>Member activity related to fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable

Contrarius Australia Equity Fund – Class A Contrarius Australia Equity Fund – Class B		
Type of fee or cost	Amount	How and when paid
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy/Sell spread</b> An amount deducted from your investment representing the costs incurred in transactions by the scheme	<u>Contrarius Australia Equity Fund – Class A:</u> 0.20% upon entry and 0.20% upon exit <u>Contrarius Australia Equity Fund – Class B:</u> 0.20% upon entry and 0.20% 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 Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a withdrawal.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee for changing your investment options	Nil	Not applicable
<b>Switching fee</b> The fee to close your investment	Nil	Not applicable

<sup>1</sup> All fees quoted above are inclusive of Goods and Services Tax ("GST") and net of any Reduced Input Tax Credits ("RITC").

<sup>2</sup> See "Management fees and costs" in Section 6.3 below for further information.

<sup>3</sup> This represents the performance fees of the Class which are payable as an expense of the Fund to the Investment Manager. See "Performance fees" in Section 6.3 below for further information.

<sup>4</sup> See "Transaction costs" in Section 6.3 below for further information.

### 6.3 Additional explanation of fees and costs

#### Management fees and costs

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

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

The management fees and costs disclosed in the Fees and Costs Summary are 0.98% p.a. of the NAV of Class A and 0.21% p.a. of the NAV of Class B. The management fees component of management fees and costs of 0.77% p.a. of the NAV of Class A and 0% (Nil) p.a. of the NAV of Class B, is payable to the Investment Manager of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is calculated and accrued daily and paid from each Class monthly in arrears and reflected in the unit price of each Class.

The indirect costs and other expenses component of management fees and costs disclosed in the Fees and Costs Summary of 0.21% p.a. of the NAV of Class A and 0.21% p.a. of the NAV of Class B covers certain operating expenses of the Fund such as responsible entity fees, custodian fees, and administration, and audit fees. Such expenses are capped at 0.21% p.a. of the NAV of the Class. The Investment Manager will meet usual operating expenses in excess of this cap. Investors may also bear certain extraordinary or unusual expenses incurred on behalf of the Fund from time to time, such as the cost of litigation or significant regulatory change.

The indirect costs and other expenses component is variable, accrued daily and reflected in the unit price of each Class as the relevant fees and costs are incurred. They are borne by the investor, but they are not paid to Equity Trustees or the Investment Manager. The costs component is based on the relevant costs of Class A units of the Fund incurred during the financial year ended 30 June 2024.

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

#### Performance fees

Performance fees are fees that are calculated by reference to performance of the Class.

The performance fee is payable by a Class to the Investment Manager and is calculated as a percentage of the extent to which that Class outperforms its benchmark (after deduction of the fixed (base) fee), but only once the Fund reaches a new relative high watermark. This means that the Investment Manager will only receive the performance fees in relation to the Class when the ratio of the NAV per Class unit to the Benchmark reaches a new high.

Should the ratio of the NAV of the Class unit to the Benchmark subsequently drop, then the Investment Manager will not be

entitled to a performance fee until such ratio has surpassed its previous high. The use of a high watermark ensures that any underperformance of the Benchmark in preceding periods is clawed back before a further performance fee becomes due. A new high watermark is set when the ratio of the NAV per Class unit to the Benchmark reaches a new high. The performance fee is calculated and accrues daily (the "Performance Period") and is payable monthly.

Where a performance fee is payable by a Fund, this fee will be based on net realised and net unrealised gains and losses as at the end of each Performance Period. As a result, the performance fee may be payable on unrealised gains which may subsequently never be realised.

The Performance fee is 20.50% of the outperformance for Class A of the Fund and 35.88% of the outperformance for Class B of the Fund, calculated and accrued daily based on the opening NAV of the relevant Class, and paid monthly in arrears by the Fund.

The performance fee disclosed in the Fees and Costs Summary of 0.67% p.a. of the NAV of Class A is based on the average of the actual performance fees paid for the Class over the previous two financial years ending 30 June 2024.

At the date of this RG, Class B is open to applications, with an inception date pending. The performance fee disclosed in the Fees and Costs Summary of 0.93% p.a. of the NAV of Class B is a reasonable estimate of the performance fees after applying the relevant management fees and costs, and performance fee percentage, to the actual gross performance of Class A units of the Fund over the previous two financial years ending 30 June 2024.

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Information on current performance fees will be updated from time to time and available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

### Performance fee example

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Contrarius Australia Equity Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund. The example uses the Class A performance fee of 20.50% of outperformance.

	Scenario 1	Scenario 2	Scenario 3
<b>Scenario description</b>	The Class goes up more than the Benchmark (Contrarius Australia receives a fee)	The Class goes up more than the Benchmark (Contrarius Australia receives no fee)	The Class does not do as well as the Benchmark (Contrarius Australia receives no fee)
<b>Fund performance (net of fixed management fee and expenses)</b>	3%	3%	3%
<b>Benchmark performance</b>	2%	2%	4%
<b>Did the Fund outperform the Benchmark?</b>	Yes, by approximately 1% and a performance fee is charged.	Yes, by approximately 1% but no performance fee is charged.	No, the Class underperformed by approximately 1% and no performance fee is charged.
<b>Is the Fund at a new relative high watermark compared to the Benchmark</b>	Yes	No - the Class is below a previous relative high watermark compared to the Benchmark.	No - when the Class underperforms the Benchmark the Class is not at a new relative high compared to the Benchmark.
<b>What performance fee does Contrarius Australia receive?</b>	Assume the Class's net asset value is AUD 100,000 and the 1% outperformance equals approximately AUD 1,000. The 1% outperformance sees AUD 205 moved from the Fund's assets and paid to Contrarius Australia (20.50% x AUD 1,000)	Assume the Class's net asset value is AUD 100,000 and the 1% outperformance equals approximately AUD 1,000. The 1% outperformance sees no funds moved from the Fund's assets and paid to Contrarius Australia, given that the Fund is not at a new relative high watermark compared to the Benchmark.	No performance fee is paid to Contrarius Australia. Contrarius Australia only collects a performance fee when the Fund outperforms the Benchmark and all previous underperformance has been recovered.

### Transaction costs

In managing the assets of the Fund, Class A and Class B may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs, and applicable stamp duty when assets are bought and sold.

The gross transaction costs for Class A are 0.07% p.a. of the NAV of Class A, which is based on the relevant costs incurred during the financial year ended 30 June 2024, of which 0.00% was recovered by the Buy/Sell Spread, resulting in a net transaction cost of 0.07% p.a. of the NAV of Class A.

The gross transaction costs for Class B are estimated to be 0.07% p.a. of the NAV of Class B, and net transaction costs for Class

B are estimated to be 0.07% p.a. of the NAV of Class B, being the same as the gross transaction costs and net transaction costs incurred by Class A units during the financial year ended 30 June 2024.

Actual transaction costs for future years may differ.

#### **Buy/Sell spread**

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of the transaction costs that the Fund will incur when applications and withdrawals are made. These costs are an additional cost to the investor but are incorporated into the unit price of each Class and arise when investing application monies and funding withdrawals from a Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a withdrawal and not paid to Equity Trustees or the Investment Manager.

<b>Contrarius Australia Equity Fund</b>	<b>Estimated Buy/Sell Spread</b>	<b>Dollar Value</b>
Contrarius Australia Equity Fund – Class A	0.20% upon entry and 0.20% upon exit	The dollar value of these costs based on an application of \$10,000 is \$20 or a withdrawal of \$1,000 is \$2.
Contrarius Australia Equity Fund – Class B	0.20% upon entry and 0.20% upon exit	The dollar value of these costs based on an application of \$10,000 is \$20 or a withdrawal of \$1,000 is \$2.

The Buy/Sell Spread can be altered by the Responsible Entity at any time and the Investment Manager website 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.

#### **Can the fees change?**

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. We will generally give you at least 30 days' prior notice of any proposed increase to the investment 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 the 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 Fund 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 Fund 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 Wholesale Clients. For further information, please contact the Investment Manager at: [investorservices@contrarius.com.au](mailto:investorservices@contrarius.com.au).

#### **Taxation**

Please refer to Section 1 of this RG for further information on taxation.

## 7. Glossary of important terms

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**AFSL:** Australian Financial Services Licence.

**Application Form:** The application form that accompanies the PDS.

**ASIC:** Australian Securities and Investments Commission.

**ATO:** Australian Taxation Office.

**AUSTRAC:** Australian Transaction Reports and Analysis Centre.

**Business Day:** A day other than Saturday or Sunday on which banks are open for general banking business in Sydney, unless otherwise determined by the Responsible Entity.

**Buy-Sell Spread:** The difference between the application price and withdrawal price of units in the Fund, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Fund.

**Class:** a class of units in the Fund

**Class A:** Class A units of the Contrarius Australia Equity Fund (APIR ETL5508AU)

**Class B:** Class B units of the Contrarius Australia Equity Fund (APIR ETL4996AU)

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

**Corporations Act:** The Corporations Act 2001 and Corporations Regulations 2001 (Cth), as amended from time to time.

**Derivative:** A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common derivatives include options, futures and forward exchange contracts.

**Equity Trustees ("EQT"):** Equity Trustees Limited (ABN 46 004 031 298) which holds an AFSL No. 240975.

**Fund:** Contrarius Australia Equity Fund (ARSN 664 226 331)

**Fund Benchmark:** S&P/ASX 300 Accumulation Index

**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 Guide:** Investor-Directed Portfolio Service guide.

**IDPS Operator:** An entity responsible for operating an IDPS.

**Indirect Investors:** Individuals who invest in the Fund through an IDPS.

**Investment Manager:** Contrarius Investment Advisory Pty Limited ("Contrarius Australia").

**Net Asset Value ("NAV"):** Value of the investments of the Fund after deducting certain liabilities including income entitlements and contingent liabilities.

**PDS:** The Product Disclosure Statement for Class A or Class B, issued by Equity Trustees.

**Regulated Market** Those markets which are defined as regulated markets in the European Parliament and Council of the European Union, dated 1 April 2004 (i.e. UCITS Directive 2004/39/EC).

**Retail Client:** Persons or entities defined as such under section 761G of the Corporations Act.

**Reserve Bank:** Reserve Bank of Australia

**Responsible Entity:** Equity Trustees Limited.

**RITC:** Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits where applicable to reduce the cost of GST to the Fund.

**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 Fund 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.

**We or us:** Refers to Equity Trustees

**Wholesale Client:** Person or entity which is not a Retail Client.

#### **Responsible Entity and Issuer**

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[www.eqt.com.au/insto](http://www.eqt.com.au/insto)

#### **Investment Manager and Distributor**

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NSW 2000, Australia  
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[www.contrarius.com.au](http://www.contrarius.com.au)