

# Fermat ILS Yield Fund - IU Class

## New Zealand Wholesale Investor Fact Sheet

Issue Date 18 February 2025

### About the Fermat ILS Yield Fund - IU Class New Zealand Wholesale Investor Fact Sheet (NZ Fact Sheet)

This NZ Fact Sheet has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity") and is a summary of significant information for persons receiving the Product Disclosure Statement ("PDS") of the Fermat ILS Yield Fund - IU Class ("Fund") in New Zealand. This NZ Fact Sheet does not form part of the PDS but it is important that you read it before investing in the Fund.

The information provided in this NZ Fact Sheet is general information only and does not take account of your personal financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances.

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- Investing in the Fund
- Withdrawing your investment
- Managing your investment
- Taxation

### Updated information

Certain information in this NZ Fact Sheet 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 NZ Fact Sheet. Any updated information that is not materially adverse may be obtained by Fermat Capital Management on 1300 089 846 or email IR@FCM.com. A paper copy of the updated information will be provided free of charge on request.

### New Zealand Investors: Availability and Selling Restriction

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor who has completed a Wholesale Investor Certification. Each New Zealand investor acknowledges and agrees that:

- (a) he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund; and
- (b) he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and
- (c) he, she or it has not distributed and will not distribute, directly or indirectly, a PDS or any other offering materials or advertisement in relation to any offer of any units in the Fund,

in each case in New Zealand other than to a person who is a Wholesale Investor; and

- (d) he, she or it will notify Equity Trustees Limited if he, she, or it ceases to be a Wholesale Investor.

All references to Wholesale Investor in this document are a reference to an investor who is both a Wholesale Client under the Australian Corporations Act 2001 and a Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

**Investment Manager**  
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Unit Registry  
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GPO Box 2307  
Melbourne VIC 3001  
Ph: +613 8623 5000  
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# Investing in the Fund

## Direct investors

Direct investors can acquire units in the Fund by following the instructions outlined in the Application Form accompanying the PDS. All applications must be made in US dollars.

Minimum application amounts are subject to the US dollar minimum amounts disclosed in the PDS.

## Indirect investors

If you wish to invest indirectly in the Fund through an IDPS your IDPS Operator will complete the application for you. Your IDPS Operator will advise what minimum investment amounts relate to you.

# Withdrawing your investment

## Direct investors

Direct investors of the Fund can withdraw their investment by written request to:

Attention: Fermat ILS Yield Fund Unit Registry  
State Street Australia Limited  
Unit Registry, Level 14  
420 George Street  
Sydney NSW 2000  
Australia

Or sending it by fax to +612 9323 6411

Minimum withdrawal amounts are subject to the US dollar minimum amounts disclosed in the PDS. Withdrawal requests received from New Zealand investors must specify:

- the withdrawal amount in US dollars; or
- the number of units to be withdrawn.

We are unable to accept withdrawal amounts quoted in New Zealand dollars. Please note that the withdrawal amount paid to you will be in US dollars and may differ from the amount you receive in New Zealand dollars due to:

- Foreign exchange spreads between Australian and New Zealand dollars (currency rate differs daily); and
- Overseas telegraphic transfer costs.

Withdrawals will only be paid directly to the investor's USD bank account held in the name of the investor with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

## Indirect investors

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.

# Managing your investment

## Distributions

If New Zealand investors elect to have their distribution paid in cash, they will need to nominate a bank account held in their own name with an Australian domiciled or New Zealand domiciled bank, otherwise it must be reinvested. Cash distributions will only be paid in US dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted units in accordance with the terms and conditions set out in the PDS relating to the units in the Fund. Please see the PDS for a description of distributions and the terms and conditions of the reinvestment of distributions.

The distribution reinvestment plan described in the PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors of the same class as you.

There is available from the Responsible Entity, on request and free of charge, a copy of the most recent annual report (if any) of the Fund, the most recent financial statements (if any) of the Fund, the auditor's report on those financial statements or, if those financial statements are not audited or reviewed by an auditor, a statement to that effect, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

## Processing cut-off times

The processing cut-off times for applications and redemptions referred to in the PDSs are Australian Eastern Standard Time (Australian EST) and you should take this into account when sending instructions.

## Cooling off rights

No cooling off period applies to units in the Fund as the units offered are only available in Australia to Wholesale Clients and in New Zealand to Wholesale Investors.

# Taxation

## New Zealand resident taxation

If you are a New Zealand resident wishing to invest in Australia, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.

# Fermat ILS Yield Fund - IU Class

## Product Disclosure Statement

ARSN 154 923 494  
APIR ETL0999AU  
Issue Date 18 February 2025

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

This Product Disclosure Statement ("PDS") is for the offer of units in the Fermat ILS Yield Fund - IU Class (ARSN 154 923 494) (the "Fund" or "Class IU") and was issued on 18 February 2025.

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred to throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The investment manager of the Fund is Fermat Capital Management, LLC and is referred to throughout this PDS as "Investment Manager" or "Fermat".

This PDS relates to the class of interests known as the IU Class. The Responsible Entity has issued other classes of interests in the Fund which differ and may in the future issue further classes of interests in the Fund. The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). This PDS is available for use by persons applying for units through an IDPS ("Indirect Investors").

The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have the rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by Equity Trustees. Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, or any associate, employee, agent or officer of the Responsible Entity, Investment Manager, or any other person, to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial situation and needs and you may want to seek professional financial advice before making an investment decision. To obtain advice or more information about the product offered in this PDS you should speak to an Australian financial services licensee or an authorised representative.

Equity Trustees, the Investment Manager, and their respective employees, associates, agents and officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past

performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager, or any of their associates. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in the Fund.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. The significant risk factors affecting the Fund are summarised in Section 6.

The distribution of this PDS (including electronic copy) in jurisdictions outside Australia and New Zealand may be restricted by law. Persons in such jurisdictions who come into possession of this PDS should seek professional advice on and observe any such restrictions. It is the responsibility of the persons receiving the PDS who are outside Australia and New Zealand to ensure compliance with the laws of that jurisdiction. Applications from outside Australia and New Zealand may not be accepted and are done so at Equity Trustees' sole discretion and in compliance with applicable laws in the relevant jurisdictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction where such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The offer to which this PDS relates is only available to Wholesale Clients (as defined in the Glossary), including IDPSs, receiving this PDS (electronically or otherwise) in Australia and Wholesale Investors (as defined in the Glossary) receiving this PDS (electronically or otherwise) in New Zealand who have completed a Wholesale Investor Certificate attached to the Application Form. All references to dollars or "\$" in this PDS are to US dollars.

This PDS has not been, and will not be, lodged with the Registrar of Financial Service Providers in New Zealand, and is not a Product Disclosure Statement under the Financial Markets Conduct Act 2013 (NZ). New Zealand Wholesale Investors wishing to invest in the Fund should be aware that there may be different tax implications of investing in the Fund and should seek their own tax advice as necessary.

This PDS does not constitute an offer of securities in the United States or to any US Person as defined in Regulation S under the US Securities Act of 1933, as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. Units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws. If you received this PDS electronically, you will need to print and read this document

in its entirety. We will provide a paper copy free upon request during the life of this PDS. Please call the Investment Manager on 1300 089 846 or email IR@FCM.com.

Certain information in this PDS is subject to change. We will notify investors in writing of any changes that have a materially adverse impact or other significant events that affect the information in this PDS. Any updated information which is not materially adverse information may be obtained:

- by calling the Investment Manager on 1300 089 846 or email IR@FCM.com or
- on Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto)

A paper copy of the updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in US dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

Certain terms used in this PDS are defined in Section 12 of this PDS.

To the extent permitted by law, Equity Trustees expressly disclaims all liability for any loss arising from omissions or errors contained in this PDS.

### **New Zealand Investors: Availability and Selling Restriction**

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor who has

completed a Wholesale Investor Certification. This is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (New Zealand). Each New Zealand investor acknowledges and agrees that:

(a) he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund; and

(b) he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and

(c) he, she or it has not distributed and will not distribute, directly or indirectly, a PDS or any other offering materials or advertisement in relation to any offer of any units in the Fund,

in each case in New Zealand other than to a person who is a Wholesale Investor; and

(d) he, she or it will notify Equity Trustees if he, she, or it ceases to be a Wholesale Investor.

All references to "Wholesale Investor" in this document are a reference to an investor who is both a Wholesale Client under the Australian Corporations Act 2001 and a Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

# 1. Fund at a glance

Summary		For further information
<b>Fund Features</b>		
<i>Name of the Fund</i>	Fermat ILS Yield Fund - IU Class	Section 5
<i>APIR Code</i>	ETL0999AU	Section 5
<i>ARSN</i>	154 923 494	Section 5
<i>Investment objective and strategy</i>	The Fund seeks to generate returns by investing in a portfolio of Insurance Linked Securities ("ILS") with potentially global exposure, predominantly Catastrophe Bonds.	Section 5
<i>Fund Benchmark</i>	Eurekahedge ILS Advisers Index	Section 5
<i>Investments held</i>	<p>The Fund intends to pursue its investment objective by investing all of its assets into an investment company incorporated in the Cayman Islands, the Fermat Cat Bond Fund (the "Master Fund"). The Master Fund's investment objective is to generate returns through selective investment in a portfolio of ILS with global exposure.</p> <p>ILS are an asset class related to the trillion-dollar (US dollar premiums per year) worldwide market for insurance and reinsurance. One of the largest categories of ILS are commonly referred to as Catastrophe Bonds or "Cat" bonds and are linked to specifically defined loss events caused by both natural and non-natural catastrophes including, but not limited to, earthquakes, windstorm phenomena, mortality and other low frequency/high severity insurance related events and casualty risk. Cat bonds are generally floating rate securities with maturities of three to five years. Their coupons are typically paid monthly or quarterly as a fixed spread plus a short-term reference rate such as Treasury Money Market Rates, SOFR, Euribor, or some other money market yield. Cat bonds are relatively liquid instruments, although they may become illiquid during periods in which relevant catastrophes are occurring or immediately anticipated.</p> <p>The Master Fund may also invest in other forms of ILS and derivatives, which may include without limitation, privately offered notes, shares or similar instruments, senior bonds and/or syndicated loans issued and/or borrowed by companies in the insurance and reinsurance business, swaps, total return swaps ("TRS") and futures contracts.</p>	Section 5
<i>The type(s) of investor(s) for whom the Fund would be suitable</i>	The Fund may be suitable for an investor seeking long-term positive returns which are typically uncorrelated to traditional asset classes. An investor in the Fund must expect fluctuations in the value of their investment, which could lead to losses in the value of their investment.	Section 5
<i>Recommended investment timeframe</i>	5 to 7 years	Section 5
<b>Fees and other costs</b>		
<i>Management fees and costs</i>	1.27% p.a. of the Net Asset Value ("NAV") (including GST less RITCs)	Section 9
<i>Entry fee/exit fee</i>	Nil	
<i>Performance fee</i>	Nil	
<i>Buy/Sell spread</i>	0.50%/0.50%, however, the Buy/Sell Spread can be altered or waived by the Responsible Entity at any time.	Section 9
<b>Investing and withdrawals</b>		
<i>Applications</i>	Applications are generally processed monthly and must be received 7 Business Days prior to the last Business Day of the end of the month. The Responsible Entity may decline to issue units if it does not receive cleared funds at least 7 Business Days (as the case requires) prior to the end of the month. Where an application is accepted, the application price will be the price as at the last Business Day of the month. The Responsible Entity at its discretion may process applications on a more frequent basis than monthly.	Section 7
<i>Minimum initial investment</i>	US\$5,000,000 (or such other amount as determined by the Responsible Entity from time to time).	Section 7

	Summary	For further information
<i>Minimum additional investment</i>	US\$100,000 (or such other amount as determined by the Responsible Entity from time to time).	Section 7
<i>Minimum withdrawal amount</i>	US\$100,000 (or such other amount as determined by the Responsible Entity from time to time).	Section 7
<i>Minimum balance</i>	US\$5,000,000 (or such other amount as determined by the Responsible Entity from time to time).	Section 7
<i>Withdrawals</i>	<p><b>While the Fund is liquid:</b></p> <p>Written notice is required a minimum of 12 Business Days before the last Business Day of the month, or as otherwise determined by the Responsible Entity. Withdrawal requests received outside of the notice times will be processed on the next valuation date (for withdrawals).</p> <p><b>While the Fund is not liquid within the meaning of the Corporations Act:</b></p> <p>Where the Fund ceases to be liquid, investors will be notified and will not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.</p>	Section 7
<b>Distributions</b>		
<i>Distributions</i>	Any income available for distribution is usually distributed quarterly after the end of every quarter, or more frequently at the discretion of the Responsible Entity.	Section 7
<i>Distribution payment options</i>	Investors may elect to have distributions paid into a nominated bank account or reinvested as additional units in the Fund.	Section 7
<b>Other Information</b>		
<i>Side Pocket for impaired assets</i>	Certain assets which are deemed to have been impaired by the occurrence of a catastrophe event may be transferred to a separate "Side Pocket" account and held for the benefit of each investor in the Master Fund at that time in proportion to their unit holding in the Master Fund (excluding any existing Side Pocket units) and units in the Side Pocket will be issued to those investors. Once a Side Pocket is created, further assets cannot be included in that particular Side Pocket. Subsequent applications to the Fund will not have exposure to previously quarantined assets or be issued units in an existing Side Pocket.	Section 7
<i>Leverage and borrowing</i>	The Master Fund generally utilises leverage to a level averaging approximately 1.0 to 1.25 but will cap leverage at 1.5. The preceding are general guidelines only and are not restrictions.	Section 5.6
<i>Valuation frequency</i>	Unit prices are generally calculated weekly as of each Monday and the last Business Day of each month, but in unusual circumstances may be calculated more than once a week or not at all.	Section 7



## 2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission (ASIC) Regulatory Guide 240. Sections 2 and 3 set out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of ASIC Regulatory Guide 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from [www.asic.gov.au](http://www.asic.gov.au).

The information summarised in this table and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with the detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in Section 6 of this PDS.

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>Equity Trustees has appointed an independent administrator, State Street Australia Limited ("State Street", "Custodian" or "Administrator"), to provide administration services for the Fund, including valuation services.</p> <p>The Fund satisfies this benchmark by having its non-exchange traded assets independently valued by the Administrator in accordance with its pricing policy.</p> <p>Over-the-counter ("OTC") derivatives are generally valued by reference to the counterparty settlement price which is based upon broad financial market indices.</p>	Section 5
Periodic reporting			
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	Yes	The Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	Section 8



### 3. ASIC disclosure principles

	Summary	Section (for further information)
<i>Investment objective</i>	Target returns in excess of a short-term reference interest rate.	Section 5.2
<i>Investment strategy</i>	The Fund will invest all its assets in the Master Fund. The Master Fund's investment objective is to generate returns through selective investment in a portfolio of ILS with global exposure.	Section 5.2
<i>Investment manager</i>	Equity Trustees Limited, as responsible entity of the Fund, has appointed Fermat Capital Management, LLC as the investment manager of the Fund. See Section 4 for further details, including in relation to the expertise of the Investment Manager.	Section 4
<i>Fund structure</i>	The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme. The Fund is a feeder fund that invests all its assets in the Master Fund. The responsible entity of the Fund is Equity Trustees Limited. Equity Trustees Limited may appoint service providers to assist in the ongoing operation, management and administration of the Fund. The key service providers to the Fund are: <ul style="list-style-type: none"> <li>• Fermat Capital Management, LLC, the investment manager of the Fund;</li> <li>• State Street, the administrator and the custodian of the assets of the Fund.</li> </ul> See Section 5.3 for further information on the key service providers, Equity Trustees' role in monitoring the performance of service providers and a diagram of the flow of funds through the Fund.	Section 5.3
<i>Valuation, location and custody of assets</i>	State Street Australia Limited has been appointed as custodian and administrator of the Fund to provide a range of services including custody and administration services for the assets of the Fund. See section 5.4 for further information on custodial arrangements and the geographical location of assets.	Section 5.4
<i>Liquidity</i>	As at the date of the PDS, the Responsible Entity and Investment Manager reasonably expect that the Fund will be able to realise at least 50% of the Fund's assets within 14 days or 80% of the Fund's assets within 30 days, under normal conditions, at the value ascribed to those assets in the most recent calculation of the Fund's NAV (subject to any relevant transaction costs). You should note that there are risks associated with liquidity. Refer to Section 6 of this PDS for more information on those risks.	Section 5.6
<i>Leverage</i>	The Fund does not intend to use leverage or borrowing. However, the Master Fund may utilise leverage to a level averaging approximately 1.0 to 1.25, but will cap leverage at 1.5. The preceding are general guidelines only and are not restrictions.	Section 5.6
<i>Derivatives</i>	The Fund will not invest in Derivatives. However, the Master Fund may utilise Derivatives as part of its investment strategy. See Section 5.7 for further information.	Section 5.7
<i>Short selling</i>	The Fund and the Master Fund do not engage in short selling.	Section 5.8
<i>Withdrawals</i>	<b>While the Fund is liquid:</b> Written notice is required a minimum of 12 Business Days before the last Business Day of the month, or as otherwise determined by the Responsible Entity. Withdrawal requests received outside of the notice time will be processed on the next valuation date (for withdrawals). <b>While the Fund is not liquid within the meaning of the Corporations Act:</b> Where the Fund ceases to be liquid, investors will be notified and will not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.	Section 5.10 and 7

## 4. Who is managing the Fund?

### The Responsible Entity

#### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888. Today, Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Fermat Capital Management, LLC as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

### The Investment Manager

#### Fermat Capital Management, LLC

Fermat is a limited liability company founded in 2001 and based in Westport Connecticut, USA. Since January 2006 Fermat has been registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser.

Fermat is owned entirely by its founding partners.

Fermat is a specialist investment manager with over eighteen years' experience managing portfolios of ILS. Senior members of the Fermat investment team have active experience in catastrophe risk investment dating back to the inception of the ILS market.

Fermat is one of the largest managers of Catastrophe Bond portfolios (please see Section 5.2 for further information relating to Catastrophe Bonds) on behalf of some of the world's largest institutional investors. Its investment process is heavily focused on risk management (including operational risk management) and balancing risk with reward.

Fermat does not hold an AFSL as it relies on the relief contained in the Class Order [CO 03/1100] (whose operation has been extended by the ASIC Corporations (Repeal and Transitional) Instrument 2016/396) issued by ASIC (as amended from time to time). It is regulated by the SEC under US laws, however, which differ from Australian laws.

Fermat is also the delegate investment manager of the Master Fund.

*Identity, qualifications and commercial experience of the Fund and Master Fund portfolio managers*

**Dr John Seo** is a co-founder and managing director. John has over 30 years of fixed income, FX options, and interest-rate derivatives structuring and trading experience. Prior to forming Fermat with his brother Nelson in 2001, John was head insurance-risk trader at Lehman Brothers, an officer of Lehman Re Limited, and a state-appointed advisor to the Florida Hurricane Catastrophe Fund. John's work in Catastrophe Bonds was featured in a Michael Lewis cover article for the New York Times Magazine ("In Nature's Casino", 26 Aug 2007). John has testified as an expert witness on specific insurance markets before the U.S. Congress and, in 2015 and 2019, was appointed to the Advisory Committee on Risk-Sharing Mechanisms (ACRSM) by the U.S. Department of the Treasury. John received a PhD in biophysics from Harvard University (1991) and a Bachelor of Science in physics from M.I.T. (1988).

**Nelson Seo** is a co-founder and managing director. Nelson has over 30 years of experience in commodities, derivatives, bond trading, and investment banking. Since forming Fermat with his brother John in 2001, they have worked together to develop methods for real time evaluation, pricing and active trading of Cat Bonds, growing the firm from a start-up into a leading investment manager dedicated to ILS. Nelson has extensive trading experience, as a senior market maker. At Warburg Dillon Read, Nelson also designed structured transactions and he was a director of e-commerce development for UBS Warburg's treasury products group. Previously, he was a senior option market maker in foreign exchange and precious metals for O'Connor & Associates/Swiss Bank Corporation ("SBC"), trading on the Philadelphia Stock Exchange and later establishing and managing SBC's floor operations on the Commodity Exchange, INC ("COMEX"). Nelson received a Bachelor of Science in economics from M.I.T. (1990).

**Brett Houghton** is managing director. Brett has over 20 years of experience structuring, trading, and investing in structured products with a focus on life and catastrophe insurance markets. Prior to joining Fermat in 2010, Brett was managing director at Rochdale Securities, where he established and managed its fixed-income trading operations. At Rochdale Securities, Brett specialized in Insurance-Linked Securities, corporate-credit obligations and asset-backed securities. Brett was also responsible (at Lehman Brothers and Aon Capital Markets, both pioneers in the ILS market) for structuring and trading a broad range of life and non-life products as well as private credit securities including whole business securitizations, CLOs and ABS CDOs. Brett earned an ASA from the Society of Actuaries (1998) and Bachelor of Science degrees in mathematics and statistics from the University of Michigan (1995).

Each of the above portfolio managers dedicate the majority of their time to this investment strategy and other similar strategies.

#### *No significant adverse regulatory finding*

No significant adverse regulatory findings have been made against the Investment Manager or the portfolio managers who manage the Fund.

#### *Termination of the appointment of Fermat Capital Management, LLC*

The Responsible Entity may immediately terminate the Investment Management Agreement by giving written notice to the Investment Manager where:

- the Investment Manager goes into administration, receivership or liquidation;
- the Investment Manager ceases to carry on business in relation to its activities as an investment manager;
- the Investment Manager breaches the terms of the Investment Management Agreement which adversely affects the rights of members and fails to remedy the breach within the time specified under the Investment Management Agreement; or
- the Responsible Entity is required to terminate the Investment Management Agreement under the law.

From an investor's perspective the Responsible Entity considers that there are no unusual or materially onerous terms in the Investment Management Agreement.

## The Custodian and Administrator

### State Street Australia Limited

State Street is the administrator of the Fund and provides administration and accounting services. State Street is responsible for calculating the Fund's NAV.

As administrator, State Street is responsible for the day-to-day administration of the Fund.

State Street is also custodian of the Fund and its role in that respect is limited to holding the assets of the Fund.

State Street has been appointed as the custodian and administrator for the Fund under the master custody and investment administration agreement dated 31 December 2004 (as amended) ("Custody and Investment Administration Agreement").

State Street has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to you for any act done or omission made in accordance with the Custody and Investment Administration Agreement.

## 5. How the Fund invests

### 5.1 Investment Objective

The Fund's investment objective is to generate returns in excess of a short-term reference interest rate. To this end, Fermat employs an investment strategy which, in its opinion, seeks to generate an optimised risk-reward profile.

### 5.2. Investment Strategy

The Fund aims to achieve its investment objective by investing essentially all its assets in the Master Fund.

The Master Fund's investment objective is to generate returns through selective investment in a portfolio of ILS with global exposure.

The Fund and the Master Fund do not engage in short selling.

#### What are ILS?

ILS are financial instruments that typically transfer the risk of insured events from insurance and reinsurance companies (and in some cases, corporations and government entities) to investors, allowing them to access the capital markets for reinsurance of these risks. ILS are typically issued by special purpose vehicles formed in Bermuda, the Cayman Islands, or Dublin, Ireland, and the majority of ILS are denominated in USD with the balance denominated in other currencies including EUR, JPY, NZD, or GBP.

Investors in ILS generally receive a yield in return for accepting the risk of loss of capital and interest payments should a catastrophic event occur. The risk of loss of principal and interest payments is primarily dependent on the occurrence of a specific catastrophic event such as an earthquake, hurricane or winter storm in a predefined area.

#### Catastrophe Bonds and Other Investment Structures

Catastrophe Bonds are one of the largest and most developed sectors of the ILS market.

Catastrophe Bonds are debt securities that are typically issued with a 3 to 5 year maturity, pay a floating rate coupon (interest payment) and will return principal to the holder if there is no triggering catastrophe during the risk period. Coupon payments (interest payments) are typically specified as a spread and they are paid in addition to a collateral return rate (such as the return of a treasury money market fund, SOFR, or an International Bank for Reconstruction and Development note in which the collateral would be invested during the term of the ILS).

Catastrophe Bonds are typically exposed to events such as earthquakes, hurricanes and other severe storms, wildfire, volcanic eruption, or extreme mortality.

In addition to Catastrophe Bonds, the Fund (through the Master Fund) may also invest in other forms of ILS and derivatives which may include, without limitation, swaps and privately offered notes, preferred shares and similar instruments, total return swaps and futures contracts. These "private" ILS instruments are similarly structured to Catastrophe Bonds in that they return a yield to the investor in exchange for the risk of loss of invested capital due to the occurrence of catastrophic events. The main difference between private ILS and Catastrophe Bonds is that the private ILS are usually marketed to a smaller universe of buyers and are not typically modelled by an independent third party modelling firm.

Finally, the Fund (through the Master Fund) may invest in bonds and loans issued by companies within the insurance sector.

#### Repurchase Agreements

The Master Fund may invest in Repurchase Agreements for borrowing purposes.

Repurchase Agreements ("Repo Contracts"): these agreements are the sale and subsequent repurchase of a security. For the party selling the security (and agreeing to repurchase it in the future at a specified time and price) it is a repurchase agreement and will generally be used as a means of raising short-term financing and its economic effect is that of a secured loan as the party purchasing the security makes funds available to the seller and holds the security as collateral.

#### Investment Characteristics

ILS typically provide investors with, in the absence of severe catastrophic events, persistent and stable returns that are fundamentally uncorrelated with other asset classes and can typically provide strong portfolio diversification benefits.

The primary drivers of returns are the systemic risk of the global reinsurance market, the collective capital requirements of the global insurance and reinsurance industries, and the incidence of catastrophes.

An investment in ILS does involve a high degree of risk, including the possibility of a total loss of capital and interest. The value of any investment is potentially reduced (and subject to partial, or in some cases, total loss) upon the occurrence of a specified event to which it is contractually linked.

Prospective investors should refer to pages 14 to 17 for a full explanation of the risks of investing in ILS.

#### Investment Process and Risk Management

The Master Fund will be managed in a manner generally consistent with the approach that Fermat has had in place for its clients since 2001. Fermat seeks to capture the structural return from the catastrophe market by holding a portfolio of ILS. Fermat focuses on analysing the risk of an investment and evaluating the risk-return profile when compared with other opportunities in the ILS market.

A central component of the Investment Manager's investment process is a highly developed, proprietary strategy for pricing, risk analysis, and risk management branded as the CatAPM<sup>®</sup> model. The CatAPM<sup>®</sup> model is used in conjunction with three of the leading commercial risk management models (Verisk, KCC and RMS) to generate a comprehensive view of the risk and appropriate value of any prospective investment. The CatAPM<sup>®</sup> model further enables the Investment Manager to properly size the investment so that adding it to a client portfolio will improve the risk-return profile.

#### Leverage

See section 5.6 for a description of how the Fund utilizes leverage.

#### Changes to Investment Strategy

We may change the investment strategy and investment restrictions of the Fund.

Any material changes of the Fund will be notified to investors in accordance with the requirements of the Corporations Act.

#### Expected Allocation by Security Type

The Master Fund's expected allocation by security type is as follows:

Catastrophe Bonds*	75% - 100%
Other Catastrophe Instruments	0% - 25%
Bonds and loans issued by companies within the insurance sector	0% - 10%
Cash and Cash Equivalents	0% - 10%

These ranges are indicative only and are subject to change without notice to investors.

\* Fermat has the flexibility to allocate up to 10% of the Master Fund's assets to any one position and individual positions may be highly or completely correlated to one another. Any loss suffered by the Fund could result in a higher reduction in the Fund's capital than if the Fund's capital had been more proportionately allocated among a larger number of securities with more diversified exposure.

### Investment Restrictions

The Master Fund shall not:

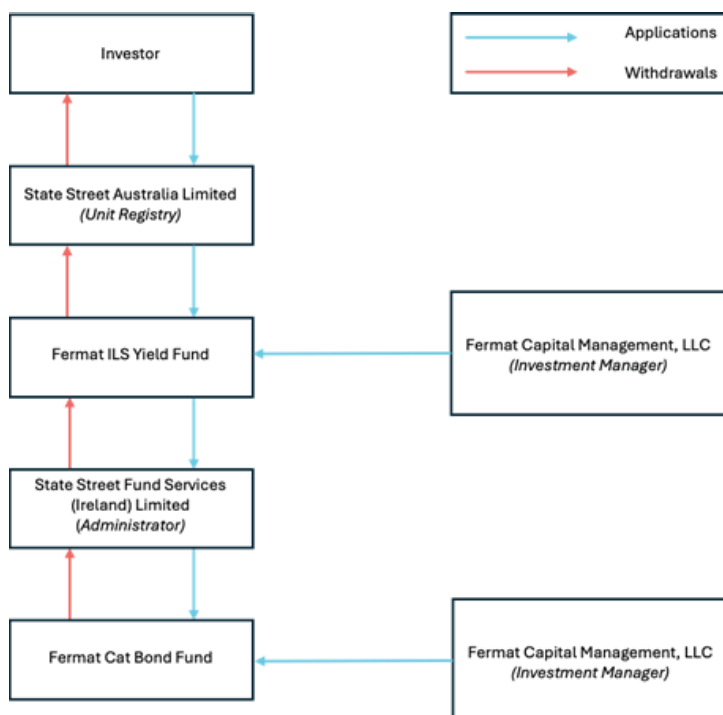
- a) write insurance contracts;
- b) lend money to any party;
- c) invest in instruments which are neither
  - i. transferable securities; nor
  - ii. derivatives, provided that any derivatives that are not for hedging purposes must be consistent with the Master Fund's investment objective; or
  - iii. loan receivables, other than transferable securities pursuant to (i);

provided that the aggregate value of the investments pursuant to (ii) and (iii) above may not exceed 30% of the Master Fund's Net Asset Value at any time. In addition, the aggregate value of senior bonds and/or syndicated loans issued and/or borrowed by companies in the insurance and reinsurance business may not exceed 15% of the Master Fund's Net Asset Value at the time of any investment.

## 5.3. Fund Structure

### Investment structure

The Fermat ILS Yield Fund is an unlisted registered managed investment scheme. Investors receive IA Class units when they invest through this PDS. In general, each unit in the Fund represents an individual's interest in the assets as a whole subject to liabilities; however, it does not give the investor an interest in any particular asset of the Fund. The Responsible Entity is responsible for the operation of the Fund.



### Service providers

As at the date of this PDS, the service providers to the Fund are:

- **Investment Manager:** Fermat Capital Management, LLC is responsible for managing the investments of the Fund. For further details on Fermat Capital Management, LLC's role please refer to Section 4.
- **Custodian:** State Street Australia Limited. State Street Australia Limited holds the assets of the Fund on behalf of the Responsible Entity.
- **Administrator:** State Street Australia Limited. State Street Australia Limited provides administration services in connection with the Fund.

The service providers to the Master Fund are:

- **Investment Manager:** Fermat Capital Management, LLC is responsible for managing the investments of the Master Fund.
- **Administrator:** State Street Fund Services (Ireland) Limited.
- **Custodian:** State Street Custodial Services (Ireland) Limited. State Street Custodian Services (Ireland) Limited holds the assets of the Master Fund.
- **JPMorgan** serves as a Repurchase Agreement counterparty of the Master Fund.

The service providers engaged by the Responsible Entity may change without notice to investors. Risks relating to the use of third party service providers are outlined in Section 6.

The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of Fermat, regularly monitor the performance of the service providers against service standards set out in the relevant agreements.

### Related party relationships

None of the Responsible Entity, the Investment Manager and the Custodian and Administrator is a related party. The Investment Manager is appointed as the investment manager of the Master Fund. The Administrator and Custodian of the Fund and Master Fund are related parties.

### No material arrangements not on arm's length terms

There are no material arrangements in connection with the Fund that are not on arm's length terms.

### Estimate of aggregated costs and expenses

All costs and expenses of the Fund are included in the estimated Management Costs of the Fund, except for transactional and operational costs and extraordinary expenses. Refer to Section 9 "Fees and other costs" for further information.

### Relevant jurisdictions

The Responsible Entity is located in Australia.

The Investment Manager is located in the United States of America.

The Custodian and Administrator are located in Australia.

*For the Master Fund:*

The Investment Manager is located in the United States of America.

The Custodian and Delegate Administrator are located in Ireland.

### Specific risks associated with investment structure

The specific risks associated with the investment structure of the Fund include Currency Risk, Fund Risk and Legal, Tax and Regulatory Risks. An explanation of these risks is set out in Section 6 "Managing Risk".

## 5.4. Valuation, location and custody of assets

Assets in the Fund are valued in accordance with the following valuation.

Principles:

- investments into collective investment vehicles are valued on the basis of the most recent price or valuation provided by the relevant administrator of the collective investment vehicle unless in the Responsible Entity's reasonable opinion there are reasons to justify departing temporarily or permanently from that price or valuation. Such reasons may include, without limitation, those associated with the liquidity profile of and/or the pricing methodology being employed with respect to such collective investment vehicle from time to time;

### Types of assets

The custodial arrangements in respect of various asset classes for the Fund are described in the table below. The Responsible Entity and Investment Manager do not have a policy regarding the geographic location of assets invested in by the Fund.

Assets	Custodian	Location of Custodian	Location of Asset	Range
Shares in the Master Fund	State Street Australia Limited	Sydney	Sydney	90-100%
Cash/cash Equivalents	State Street Australia Limited	Sydney	Sydney	0-10%

The custodial arrangements in respect of various asset classes for the Master Fund are described in the table below.

Assets	Custodian	Location of Custodian	Location of Asset	
Catastrophe Bonds (DTC and Euroclear traded)	State Street Custodial Services (Ireland) Limited	Ireland	Ireland	75-100%
Private ILS	Varied	Varied	Mostly Bermuda and Cayman Islands	0-25%
Over-the-counter derivatives (including foreign exchange forward contracts)	State Street Custodial Services (Ireland) Limited	Ireland	Ireland	0-10%
Cash/cash Equivalents	State Street Custodial Services (Ireland) Limited	Ireland	Ireland	0-10%

## 5.5. Liquidity

As at the date of the PDS, the Responsible Entity and Investment Manager reasonably expect that the Fund will be able to realise at least 50% of the Fund's assets within 14 days or 80% of the Fund's assets within 30 days, under normal conditions, at the value ascribed to those assets in the most recent calculation of the Fund's NAV (subject to any relevant transaction costs).

With regards to the Master Fund, where they consider it in the interests of shareholders to do so, the Directors of the Master Fund may limit aggregate redemptions with respect to any or all share classes on any dealing day where the Master Fund has received redemption requests representing at least 10% (or in circumstances considered by them to be exceptional such lesser amount as they may reasonably determine) of the total aggregate value of the shares in issue in the share classes eligible for redemption as at that dealing day.

Such limitations, if applied, may affect the Master Fund's ability to meet redemption requests in full. Whenever such a limit is imposed redeeming shareholders of the Master Fund will receive a share of the total available redemption proceeds proportionate to their redemption request. The balance of any redemption request not satisfied in full on a dealing day will be

- deposits will be valued at their cost plus accrued interest; and
- any value (whether of an investment or cash) that is not in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Responsible Entity in its absolute discretion deems applicable as at close of business on the relevant valuation day of the Fund, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

automatically carried forward and treated as a redemption request for the next available dealing day when it will be processed in accordance with the dealing terms in effect for that subsequent dealing day.

You should note that there are risks associated with liquidity, especially as catastrophes develop or immediately after a catastrophe. Refer to Section 6 of this PDS for more information on those risks.

## 5.6. Leverage

The Fund does not intend to use leverage.

The Master Fund generally utilises leverage to a level averaging approximately 1.0 to 1.25 but will cap leverage at 1.5. The preceding are general guidelines only, and are not restrictions.

For example, this means that compared with an unleveraged fund, assuming that the Master Fund reaches its maximum gross exposure of 1.5 times of NAV, then:

- a 1% increase in the return on assets of the Master Fund will result in a 2% increase in return to investors; and
- a 1% decrease in the return on assets of the Master Fund will result in a 2% decrease in returns to investors.

## 5.7. Derivatives

The Fund does not use any Derivatives.



The Master Fund may invest in other forms of ILS and Derivatives, which may include without limitation, privately offered notes, shares or similar instruments, senior bonds and/or syndicated loans issued and/or borrowed by companies in the insurance and reinsurance business, swaps, total return swaps ("TRS") and futures contracts.

### 5.8. Short Selling

The Fund and the Master Fund do not engage in short selling.

### 5.9. Withdrawals

Written notice is required a minimum of 12 Business Days preceding the last Business Day of the month, or as otherwise determined by the Responsible Entity. Withdrawal requests received outside of the notice time will be processed on the next valuation date (for withdrawals). Please see Section 7 for further details relating to applications and withdrawals, including:

- the limitations that may affect the ability of investors to withdraw from the Fund; and
- how investors can exercise their withdrawal rights.

### 5.10. Suggested investment timeframe

The recommended investment timeframe is 5 to 7 years. However, this timeframe is a general guide only and does not take into account your individual circumstances. Investors should seek professional advice to determine, in their particular circumstances, the appropriate investment period for holding units in the Fund.

### 5.11. Labour standards and environmental, social and ethical considerations

The Investment Manager has been a signatory to the UNPRI since August 2011 and has allocated a formal ESG rating to every cat bond issued since 2014. This proprietary rating feeds into the investment process as part of allocation process and any instrument with a negative rating on any ESG component is rendered ineligible for portfolio inclusion.

Fermat strategies promote ESG characteristics and operate in accordance with Article 8 of Sustainable Finance Disclosure Requirements (SFDR).

### 5.12. Fund performance

Fund performance can be obtained by contacting the Investment Manager at IR@FCM.com. Please note that due to the historical nature of performance information and the volatility of returns, future returns may differ from past returns. The Responsible Entity and Investment Manager do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund.



## 6. Managing risk

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 the 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 or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

### Key Risks

#### Understanding Investment Risk

Investors should recognise that an investment in the Fund carries risk. Neither the performance of the Fund nor the security of your capital is guaranteed by the Responsible Entity or the Investment Manager.

Risks may include possible delays in the payment of withdrawal proceeds, loss of income and capital and volatility of returns.

#### Risks Specific to this Fund

An investment in this Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The main risk factors which may affect the returns of the Fund include, but are not limited to:

##### **Market Risk:**

Negative movements that affect the price of all assets (including derivatives) within a particular market may cause losses to the Fund. Movements in interest rates and inflation and changes in market sentiments can affect the value of assets.

##### **Currency Risk:**

Movements in foreign currencies may adversely affect the value of the Fund's underlying investments and the income from those investments.

##### **Business and Regulatory Risks:**

Legal, tax and regulatory changes, whether in Australia or elsewhere, could occur during the term of an investment in the Fund and may adversely and substantially affect the Fund.

##### **International Risk:**

Risks such as political and economic instability of overseas countries, different accounting and reporting standards, availability of reliable company financial information and international fund flow restrictions are all potential risks when investing in international assets.

##### **Liquidity Risk:**

An investment in the Fund may be subject to withdrawal limits (please see Section 7 for further information), and cannot be transferred except with the prior approval of the Responsible Entity. An application for units should only be considered by

investors who are financially able to maintain their investment and who can afford to lose all or a substantial part of their investment. Investors should be prepared to remain in the Fund for an extended period.

Liquidity of the Fund's assets (even at the marks used to determine the NAV of the Fund) cannot be guaranteed, especially as catastrophes develop or immediately after a catastrophe. While the withdrawal procedures are designed to minimise negative impacts of the Fund's NAV due to withdrawals, the Fund may suffer losses due to withdrawals that are not compensated by the Buy/Sell Spread.

##### **Fund Risk:**

The Fund could terminate and the fees and expenses of the Fund could change. The fees charged in aggregate will likely exceed the fees that an investor would typically incur by investing directly in the underlying assets. There is also a risk that investing in the Fund may give different results than investing directly in the underlying assets because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors.

##### **Derivatives Risk:**

The Master Fund may use derivatives such as options and futures where there is no formal market. Such derivatives often experience significant volatility in prices and carry counterparty and liquidity risk. In addition, the Master Fund's assets are also subject to the risk of failure of any of the exchanges on which their positions trade or their clearing houses or counterparties.

##### **Custody Risk:**

The Custodian will have custody of the Fund's assets. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund.

##### **Relative Performance:**

The Fund may materially underperform compared to other investment funds with substantially similar investment objectives and approaches.

##### **Risks of master/feeder structure:**

The use of a master/feeder structure provides certain benefits to the Master Fund, but also subjects the Master Fund to certain risks. Among other things, the use of a master/feeder structure imposes incremental costs on the Master Fund that would not be incurred if the feeder fund was a standalone fund, although the directors of the Master Fund believe these expenses will be minimal. A master/feeder structure creates a possible conflict for the manager of the Master Fund's Delegate Investment Manager because trading decisions made may benefit investors in the Master Fund and disadvantage another fund, or vice versa. In addition, if a disproportionate amount of capital is provided by one of the feeder funds, significant redemptions might be more disruptive to the investors in the other investment funds than might be the case if all the feeder funds traded on a parallel basis and not through a master/feeder. Similarly, a significant capital inflow from investors in one of the feeder funds at a time when capital cannot be effectively deployed could adversely affect the returns received by investors in the other feeder funds.

##### **Counterparty Risk:**

Entry into over the counter transactions by the Master Fund creates counterparty risk. Substantial losses could be incurred if a counterparty fails to deliver on its contractual obligations, or experiences financial difficulties.

***Risk of Litigation:***

The Fund may accumulate positions in the securities of a company that becomes involved in litigation, for example, relating to control of the company or bankruptcy proceedings. These types of litigation can be lengthy and expensive, and the outcome of such disputes may affect the value of the Fund.

***Lack of Liquidity in Credit Markets:***

During periods of "credit squeezes" or "flights to quality" (where investors are selling what they consider to be more risky securities and buying what they consider to be less risky securities), the market for credit instruments other than U.S. Treasury bills can become substantially reduced. This poses the risk that positions held by the Fund may need to be sold at discounts to fair value in order to meet margin calls. At the same time, ILS brokers that provide market pricing sheets may reduce their indicative prices on positions that have either been posted as collateral against loans, or sold through a repurchase agreement potentially resulting in additional margin calls as the value of this "collateral" moves below valuation thresholds. Such downward pressures on price and leverage could cause substantial losses for the Fund. During the ongoing financial market crisis of 2007-2009, the market for credit instruments was so illiquid that a number of investment funds had to sell otherwise desirable investments in other asset classes in order to meet margin calls on their credit positions.

***Credit Risk:***

Although ILS are typically structured to minimise credit risk, credit risk with respect to ILS collateral and the cash holding of the Fund does exist and can potentially lead to losses.

***Dependence on the Investment Manager:***

The success of the Fund depends on the ability of Fermat to develop and implement strategies that achieve the Fund's investment objectives. For example, subjective decisions made by Fermat could cause the Fund to incur losses or miss profit opportunities and the investment team of Fermat could change. Substantially all decisions with respect to investment management of the Fund will be made exclusively by Fermat. No investors of the Fund will be able to object to any of these decisions. The success of the Fund will be dependent upon the success of Fermat in managing an ILS portfolio with a view to the income or dividends and return of principal substantially exceeding the losses incurred and associated expenses.

***Risk of Catastrophic Events:***

The Fund will invest in Catastrophe Bonds and related instruments, the investment returns of which are related to the occurrence of catastrophic, weather or other natural or non-natural events. These instruments are subject to the risk of loss or reduction of principal and/or interest due to the occurrence of catastrophic or other events. Similarly, due to the occurrence of catastrophic or other events, instruments such as catastrophe options that may be written by the Fund potentially could expose the Fund to liability far in excess of the option premium received. Accordingly, such instruments are speculative, and upon the occurrence of a catastrophe or other event, the Fund could lose all or part of the principal and interest, or an amount in excess of any premium collected or specified margin deposit with respect to such instruments. In addition, the impact of certain catastrophic events on ILS may not be apparent or known for some time after the occurrence of such events and this uncertainty is not always reflected in the valuations of ILS. Investors could therefore experience substantial losses on their investments in the Fund arising from events that occurred prior to their investment in the Fund.

***Unpredictability of Catastrophes:***

Reliance on third party catastrophe risk modelling: The Fund uses third party catastrophe risk modelling firms and/or models as part of its investment process. The results of analyses performed by third party catastrophe risk modelling firms or models cannot be viewed as facts, projections, or forecasts of future catastrophic losses and cannot be relied upon as an indication of the future return on the Fund's investments. Actual losses experienced can materially differ from that projected by such models. Loss distributions produced by such models constitute estimated losses based on assumptions relating to environmental, demographic and cost factors. Many of these represent subjective judgments, are inherently uncertain and are beyond the control of the respective modelling firm. The assumptions or methodologies used by such firms may not constitute the exclusive set of reasonable assumptions or methodologies and the use of alternative assumptions or methodologies could yield results materially different from those generated. Further uncertainties arise from insufficient data, limited scientific knowledge, alternative theories governing empirical relationships, and the random nature of catastrophic events themselves. In addition there can be no assurance that any or all of the catastrophe risk modelling firms will continue to perform such analyses or continue to dedicate resources to such efforts.

No model of catastrophe events is, or could be, an exact representation of reality. These models rely on various assumptions, some of which are subjective and vary between the different catastrophe risk modelling firms. Accordingly the loss estimates produced by such models are themselves based upon subjective determinations and subject to uncertainty. Professional catastrophe risk modelling firms review their modelling assumptions from time to time in light of new meteorological, engineering, and other data and information. They refine their loss estimates as such information becomes available. Such refinements have, in the past, materially altered the loss estimates currently generated by these models.

The loss probabilities generated by such models are not predictive of future catastrophic events, nor of the magnitude of losses that may occur. Actual frequency of catastrophic events and their attendant losses could materially differ from those estimated by such models. Potential investors in the Fund should not view the loss probabilities generated by such models as in any way predicting the likelihood of the event occurrence or loss. Modelling insured property losses resulting from catastrophes is an inherently subjective and imprecise process. It involves an assessment of information that comes from a number of sources that may not be complete or accurate. No universal consensus on models or risk parameters exists. Other alternative credible models or risk parameters may therefore exist which, if used, could produce results materially different from those produced by catastrophe risk modelling firms.

***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, Fund Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

### ***Experience and Reliance on Certain Personnel:***

Fermat relies to a large extent on the knowledge, judgment, and experience of its senior investment personnel. If these personnel were to become unavailable, there is no other person at Fermat who is designated to carry out their respective functions as the Fund's principal portfolio managers. Certain employees of Fermat may be designated to liquidate all open trading and investment positions in all accounts (including the Fund's account) managed or controlled by Fermat upon the death or disability of these principals. Such liquidation could, in the case of unprofitable positions, result in realised losses, and in the case of profitable positions, result in positions being liquidated prior to the best price being obtained.

### ***Identification of Opportunities:***

The market for ILS is developing. Although Fermat anticipates that it will be able to identify a steady, albeit relatively infrequent, stream of opportunities, there may be prolonged periods of time when Fermat is unable to do so. This may result in lower than expected investment returns.

### ***Cyclical Fluctuations:***

The reinsurance business has historically been a cyclical industry, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclical nature has produced periods characterised by intense price competition due to excess underwriting capacity as well as periods when shortages of capacity permitted favourable premium levels. In addition, increases in the frequency and severity of losses suffered by reinsurers can significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. Reinsurance premium levels will have an influence on risk spreads payable on Catastrophe Bonds. The Fund can be expected to be exposed to the effects of such cyclicity.

### ***Correlation with Other Asset Classes:***

The occurrences of catastrophic events are fundamentally uncorrelated to the factors which influence the global equity and bond markets. However, because catastrophic events are unpredictable, it is possible that the Fund will incur major losses at or about the same time as other components of an investor's portfolio are also declining in value.

### ***Other Clients of the Investment Manager:***

Fermat and its principals advise other clients with respect to ILS and other similar instruments. They may also provide consulting services to other service providers. In particular, they provide services to managers of the invested collateral for ILS. Some of the securities held in the Fund may have their collateral invested in funds of such managers. Fermat's oversight of multiple client accounts and its consulting services may subject Fermat to various conflicts of interest. Fermat may make recommendations regarding the assumption of risk on behalf of the Fund in ILS it has declined to invest in for the account of its other clients. Fermat will endeavour to resolve conflicts with respect to investment opportunities in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and in accordance with applicable law.

### ***Arbitrary Determination of Net Asset Value:***

Since the Catastrophe Bonds purchased by the Fund are not readily traded on any securities exchange, traditional techniques of valuing fund assets by reference to a liquid, easily ascertainable market are not available to the Fund. Consequently, the Responsible Entity, in consultation with Fermat, will seek assistance in ascertaining the value of Fund assets from the few institutions who do sell or trade in Catastrophe Bonds. Such a determination may be arbitrary and without reference to any recognisable quotation system. It may

result in a higher value being placed on the Fund's assets (and therefore a higher management fee being paid) than might otherwise have occurred had a readily ascertainable market been obtainable.

Some of the instruments acquired by the Fund will be often subject to a "risk of ruin" which can cause such instruments suddenly to lose all or substantially all of their value if a certain event occurs. As a result, the NAV of the Fund may be subject to sudden adjustments, resulting in economic dilution to new, redeeming or continuing investors.

### ***Liquidation of Fund Securities:***

Fermat will be responsible for determining the timing and manner of disposition of securities held by the Fund. Fermat will seek to deliver the Fund's return objective in determining the manner and timing of the sale of the Fund's securities. However, sales may be made in order to pay withdrawals and/or distributions, to reduce leverage, to pay expenses, to reduce the Fund's exposure to losses and/or significant risks, or to adjust the risk, rate, or maturity profile of the portfolio.

Timing of the disposition of securities is critical to realising optimal return on the Fund's investments. There can be no assurance that there will be a market for the Fund's holdings when Fermat believes it appropriate to dispose of them.

### ***Thinly-Traded Securities:***

In the absence of actual sale transactions, it is difficult for Fermat to test the reliability of preliminary quotes. This is even the case when multiple broker-dealers are providing "bid" and "ask" prices. Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio securities could dramatically affect the Net Asset Value. This is particularly the case where the Fund seeks to sell positions, if Fermat's or the Administrator's judgments regarding appropriate valuations should prove incorrect.

**U.S. Federal Income Tax Risk:** Issuers of ILS (Issuers) are typically special purpose companies (in some cases, special purpose reinsurance companies) formed in Bermuda, Ireland or the Cayman Islands. Issuers are formed and intend to operate in such a manner that would not cause them to be treated as engaged in the conduct of a trade or business within the United States. Such assessments are, in certain instances, supported by legal opinions that provide when there is no relevant authority and the analysis is highly factual, an Issuer would not be deemed to be so engaged under current U.S. federal income tax law. On this basis, the Issuer would not expect to be required to pay U.S. federal income tax with respect to its income. However, there can be no assurance that the Internal Revenue Service (IRS) would not contend, and that a court would not ultimately hold, that the Issuer is engaged in the conduct of a trade or business within the United States. If the Issuer were deemed to be so engaged, it would among other things, be subject to U.S. federal income tax on its income which is treated as effectively connected with the conduct of that trade or business, as well as the branch profits tax.

### ***Legal, Tax and Regulatory Risks:***

Legal, tax and regulatory changes could materially and adversely affect the Fund and its operations. The regulation of investment vehicles such as the Fund, and of many of the investments Fermat is permitted to make on behalf of the Fund, is subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory change on the Fund is impossible to predict, but could be substantial and adverse.

**Limited Resources of Issuers:**

The Issuers of the ILS are often thinly capitalised, special-purpose entities that do not have ready access to additional capital. In the event of unanticipated expenses or liabilities, such entities may not have the resources available to pay such expenses or liabilities or the required interest and/or principal on their issued securities. Furthermore, they are typically newly formed with no operating history.

**Investment Losses:**

The ability of the Issuers of the ILS to provide the expected investment returns on their issued securities, as well as to redeem their issued securities or return principal, is based in part on such Issuers' investments. These may be subject to credit default risk, interest rate risk and other investment risks. For example, in Catastrophe Bond transactions, the proceeds of the issuance of the Catastrophe Bonds typically are invested in specified types of eligible investments. In some Catastrophe Bond transaction structures, there may also be a swap counterparty that is obligated to pay certain amounts to the Catastrophe Bond issuer. Without these amounts, the Catastrophe Bond issuer may not have sufficient funds to enable it to pay the required interest and principal on the Catastrophe Bonds. Accordingly, in Catastrophe Bond transactions, investors (such as the Fund) are subject to credit risk of the issuers/obligors on the investments owned by the Catastrophe Bond issuer, as well as of any swap counterparties that might be involved in such Catastrophe Bond transactions.

**Lower or No Ratings:**

The ILS may receive or have low ratings or be unrated by rating agencies. Consequently, such securities may be relatively illiquid and subject to adverse publicity and investor perceptions, any of which may act to depress the price of such securities.

**Lack of Diversification and Concentration Risk:**

Fermat generally will attempt, in a manner consistent with the Fund's investment program and restrictions, to diversify the Fund's portfolio on the basis of geographic region, event risk category, issuer and other factors. Nevertheless, the Fund will be composed primarily of a single class of asset (ILS) and other instruments whose performance will be largely correlated thereto. Therefore, it cannot be a "diversified portfolio" in the traditional sense of such term. Additionally, a significant percentage of the Fund's assets may be invested from time to time in individual issuers or in groups of issuers whose bonds serve to reinsure contingencies in the same market, region, or industry sector and which may be subject to similar classes of macro-casualty and catastrophe risk (for example, a large percentage of the portfolio may be exposed to the risk of a hurricane hitting the city of Miami, FL). To the extent that Fermat makes such investments, the exposure to casualty, credit, and market risks associated with such issuer, market, region, or industry sector will increase.

Fermat has the flexibility to allocate up to 10% of the Fund's assets to any one position and individual positions may be highly or completely correlated to one another. Any loss suffered by the Fund could result in a higher reduction in the Fund's capital than if the Fund's capital had been more proportionately allocated among a larger number of securities with more diversified exposure.

**Leverage:**

Fermat has the discretion to use leverage for the purposes of managing short term cash flow. Although the use of leverage is restricted, it can potentially magnify losses in the portfolio.

**Market Size:**

The market size for Catastrophe Bonds is relatively small — approximately US\$48 billion were in issuance as of 30 September 2024. There is no guarantee that the market size of the Catastrophe Bond market will continue to grow or even maintain its size. The market for direct, private, cat bond-like ILS investments, such as collateralised reinsurance and other ILS, is slightly larger in size – approximately US\$58 billion in outstanding issuance and is still an undeveloped market.

Not only does such small market size pose liquidity risk, but it may also create pricing and capacity considerations as the Fund grows in size. For example, at a certain level of assets under management the Fund may have to shift to a higher concentration of direct private investments. Meanwhile, bonds available on the secondary market may increase in price (and commensurately decrease in effective net yield), which may be detrimental to the Fund's risk/return profile.

**Reliance on Certain Information:**

Trigger events which determine whether amounts are due because of the occurrence of an insured or other predetermined event covered under an Insurance Linked Security are typically based on reports. These may be based upon information provided by the issuer of such instruments or by an independent source (such as an index). Where an Insurance Linked Security is based on an index, the source providing such index may be under no obligation to correct or update the index in the event of errors or subsequently discovered information. Similarly, with respect to exchange-traded instruments, the applicable trading period may expire before the underlying index is adjusted, with no mechanism for post-settlement adjustment. In light of the foregoing, there can be no assurance that relevant information provided by outside sources will be accurate. It may not be economically feasible or efficient for Fermat to attempt to verify or challenge such information.

The foregoing list of risk factors does not purport to be a complete list or explanation of all of the risks involved in an investment in the Fund.



## 7. Investing and withdrawing

### Investing in the Fund

Applications are only accepted from Wholesale Clients (for Australian investors) and, for New Zealand investors, investors who are also Wholesale Investors who have completed a wholesale investor certification and only from those persons who receive this PDS (electronically or otherwise) within Australia and New Zealand. The Responsible Entity can only accept applications from investors who have provided all required proof of identity documents (see "Anti-Money Laundering and Counter-Terrorism Financing Act" on page 30). The Responsible Entity reserves the right to refuse any application in its absolute discretion.

If you invest in the Fund through an IDPS (as defined in the Glossary) you will not become an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the PDS applies to direct investors.

Investors investing through an IDPS should use the application form attached to their IDPS Guide (and not the Application Form attached to this PDS) to invest in the Fund.

### Making an Application

Applications for units may be made only in US dollars. To invest please complete the Application Form accompanying this PDS, attach originals of identity verification documents and a copy of the payment advice confirming the funds transfer, and send to the Administrator at the address listed below. New Zealand investors must also complete the wholesale investor certification at the back of the Application Form.

Attention: Fermat ILS Yield Fund Unit Registry  
State Street Australia Limited  
Unit Registry, Level 14  
420 George Street  
Sydney NSW 2000  
Australia

All application monies must originate from an account held in the name of the investor. No third party payments are permitted.

Monthly applications must be received 12 Business Days prior to the last Business Day of the month of application.

The Responsible Entity may decline to issue units if it does not receive cleared funds at least 12 Business Days (as the case requires) prior to the last Business Day of the month of application. Where an application is accepted, the application price will be the price as at the last Business Day of the month of application.

We must receive both your fully completed Application Form and the application money into our bank account for an application to be considered for acceptance. A valid application must include the Application Form, identity verification documents and a copy of the payment advice confirming the funds transfer.

Units will not be issued until the relevant application is accepted by the Responsible Entity and application monies are held in an application holding account. Interest is not payable to an applicant and will become an asset of the Fund.

The Responsible Entity at its discretion may process applications on a more frequent basis than monthly.

Where the Responsible Entity has received and accepted a valid application and proposes to issue units by no later than the second next Business Day (typically because the unit price has not been determined as at the time of receipt of the application monies) the Responsible Entity can treat the applicant as a member as if the relevant units have been issued and the application monies will immediately form part of the assets of the Fund and may immediately be used for investment purposes.

None of the Responsible Entity, the Custodian and Administrator, or the Investment Manager is responsible to an applicant for any loss resulting from the non-receipt or illegibility of any Application Form, or for any loss caused in respect of any action taken as a consequence of such instructions believed in good faith to have originated from properly authorised persons.

The Responsible Entity reserves the right to refuse any application, in whole or part, without giving a reason. If for any reason the Responsible Entity refuses or is unable to process your application to invest in the Fund, the Responsible Entity will, subject to regulatory considerations, return your application money to you.

You are not entitled to any interest on your application money in any circumstance. Any interest earned is credited to the benefit of the Fund.

### New Zealand Investors

Application requests received from New Zealand Wholesale Investors must specify the application amount in US dollars. The Responsible Entity is unable to accept application amounts quoted in New Zealand dollars.

### Minimum Investment

The minimum initial investment is US\$5,000,000, or such other amount as determined by the Responsible Entity from time to time. The Responsible Entity may waive this minimum requirement, at its discretion.

### Additional Investments

You can make additional investments at any time. The minimum additional application amount is US\$100,000 (or such other amount as determined by the Responsible Entity from time to time). Additional units can be acquired in accordance with the initial application process described above. Please note that any additional investments are made under the terms of the PDS current at the time of your additional investment.

To invest, please complete and submit the additional Application Form to the Administrator by fax to +612 9323 6411 or post to:

Attention: Fermat ILS Yield Fund Unit Registry  
State Street Australia Limited  
Unit Registry, Level 14  
420 George Street  
Sydney NSW 2000  
Australia

None of the Responsible Entity, the Custodian and Administrator, or the Investment Manager is responsible to an applicant for any loss resulting from the non-receipt or illegibility of any Application Form sent by facsimile or post; or for any loss caused in respect of any action taken as a consequence of such facsimile or postal instructions believed in good faith to have originated from properly authorised persons.

## Cooling-off period

No cooling off period applies to the offer made in this PDS, as the units offered under this PDS are only available to Wholesale Clients in Australia and Wholesale Investors in New Zealand.

## Electronic instructions

If an investor instructs Equity Trustees by electronic means, such as email or fax, 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 investors. 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.

## Withdrawals while Fund is liquid

You may request to withdraw part or all of your investment in the Fund at any time. Withdrawals are made by sending a withdrawal request to the Administrator via post or fax. Withdrawal requests must be in writing and are irrevocable unless waived by the Responsible Entity in its sole discretion.

Although withdrawals are generally processed once a month, the Responsible Entity may, at its discretion, process withdrawals on a more frequent basis than monthly. In this circumstance, the Responsible Entity may make an adjustment to the 8.5% of the Fund NAV threshold calculation (referred to in the "Withdrawal Limits" sub-section) to take account of the more frequent withdrawal/s.

Written notice is required a minimum of 12 Business Days before the last Business Day of the month, or as otherwise determined by the Responsible Entity. Withdrawal requests received outside of the notice time will be processed on the next valuation date (for withdrawals). Generally this unit price will be available within 5 Business Days after month end.

At least 90% of withdrawal proceeds generally will be paid out within ten (10) Business Days after the applicable valuation date based on the unit price as at the valuation date. The remaining withdrawal proceeds generally will be paid within 45 days of the withdrawal date, however, the Constitution allows up to 24 months to satisfy withdrawal requests in full, in the absence of any suspensions.

Following a withdrawal of units, redeeming investors will receive a transaction advice that details the transaction date, transaction amount, withdrawal price, number of units withdrawn and the current unit balance (if any).

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts are held as joint tenants unless we are advised to the contrary in writing.

Withdrawal requests received from New Zealand investors must specify:

- the withdrawal amount in US dollars; or
- the number of units to be withdrawn.

We are unable to accept withdrawal amounts quoted in New Zealand dollars. Please note that the withdrawal amount paid to you will be in US dollars and may differ from the amount you

receive in New Zealand dollars due to foreign exchange spreads between US and New Zealand dollars (currency rate differs daily) and Overseas Telegraphic Transfer ("OTT") costs.

Withdrawals will only be paid directly to the investor's USD bank account held in the name of the investor with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

If you are an Indirect Investor, 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 and the terms of the IDPS.

## While the Fund is not liquid within the meaning of the Corporations Act

Where the Fund ceases to be liquid, investors will be notified and will not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.

## Minimum Withdrawals

The minimum withdrawal amount is US\$100,000, or such other amount as determined by the Responsible Entity from time to time ("Minimum Withdrawal Amount").

## Minimum Investment Balance

An investor must maintain an investment balance of US\$5,000,000 (or such other amount determined by the Responsible Entity from time to time). If, as a result of a withdrawal request or otherwise, an investor holds less than the minimum balance, the Responsible Entity may compulsorily redeem the balance of their holding. At its sole discretion, the Responsible Entity may compulsorily redeem all or any portion of an investor's units at any time for any reason or no reason provided the investor is given prior written notice.

## Withdrawal Limits

Withdrawal requests or proceeds will normally be paid in full, but may be limited, at the discretion of the Responsible Entity, to 8.5% of the Fund NAV (not including the NAV of any asset transferred to a Side Pocket) in any single month, with 100% of withdrawals satisfied within a maximum of 12 months in the absence of exceptional circumstances.

To the extent that total withdrawal requests exceed 8.5% of the Fund NAV (not including the NAV of any asset transferred to a Side Pocket) in any single month, each withdrawal will be satisfied on a proportionate basis, with the balance of the withdrawal request carried forward to the next month.

## Unit Price

Unit prices are generally calculated once per week, but in unusual circumstances may be calculated more than once a week or not at all. Assets are valued at market value or a different method determined by the Responsible Entity and permitted by the Constitution. A different method of valuation may be applied in some circumstances, particularly where that method is required to reflect more fairly the value of the relevant investment.

Units are issued at the application price and withdrawn at the withdrawal price. Both the application price and the withdrawal price of a unit are calculated based on the NAV of the Fund divided by the number of units on issue on an applicable pricing day. In calculating application and withdrawal prices, we make an allowance for costs incurred in acquiring or selling the assets of the portfolio. Examples are brokerage and other costs. This allowance is known as a Buy/Sell spread and may vary from time to time.

The Fund may issue units of different classes which may be subject to performance fees and will use series accounting to ensure the allocation of performance fees is equitable. If a Sell Spread is to be imposed by the Responsible Entity for withdrawals out of the Fund, it may be reduced or waived for in specie transfers of assets out of the Fund to reflect the actual costs incurred by the Fund. Investments of in specie transfers are valued as at the date the units are taken to be withdrawn. All costs including any applicable duties and levies incurred as a result of the transfer are payable by the investor.

## Pricing Discretions

Under ASIC Corporations (Managed investment product consideration) Instrument 2015/847, the Responsible Entity is required to maintain certain documents, including documents describing how the Responsible Entity will exercise discretions when calculating unit prices. The Responsible Entity has developed a formal written policy in relation to the guidelines and relevant factors to be taken into account when exercising any discretion in calculating unit prices (including determining the value of 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 (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) are available to investors free of charge on making a request to the Investment Manager.

## Suspensions

Under the Constitution, the Responsible Entity may suspend the issue or withdrawal of units or the calculation of unit prices or the payment of withdrawal proceeds in certain circumstances. These circumstances include where trading on relevant markets is closed or restricted, during an emergency or state of affairs which makes it impracticable to acquire or dispose of assets in the Fund or to determine unit prices fairly (including any moratorium declared by government), or where the Responsible Entity otherwise considers it in the interests of investors.

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

The Fund may suspend withdrawals or the payment of withdrawal proceeds in respect of an investor if the Responsible Entity deems it necessary to do so to comply with anti-money laundering and counter-terrorism financing laws and regulations applicable to the Fund or any of the Fund's service providers.

The Constitution gives the Responsible Entity the discretion, where it determines there is insufficient cash available to satisfy all withdrawal requests or otherwise considers it to be in the interests of investors, to only process withdrawals up to an aggregate amount and on a pro rata or other basis determined by it.

## Quarantine of Impaired Assets

Under the Constitution the Responsible Entity may quarantine certain assets. These are assets which have been reasonably deemed by the Responsible Entity as impaired by the occurrence of a catastrophe event where either such assets are not readily realisable or having an independently verifiable value.

Such assets will be transferred to a separate Side Pocket account and held for the benefit of each investor in the Fund at that time in proportion to their unit holding in the Fund (excluding any existing Side Pocket units) and units in the Side Pocket will be issued to those investors. Once a Side Pocket is

created, further assets cannot be included in that particular Side Pocket. Subsequent applications to the Fund will not have exposure to previously quarantined assets or be issued units in an existing Side Pocket.

An investor will not be able to redeem their units in a Side Pocket until the Responsible Entity provides them with at least 10 Business Days' notice that they may redeem the units following the earlier of:

- (a) realisation of all assets in the Side Pocket; and
- (b) the Responsible Entity having determined that the assets are able to be realised to satisfy such redemptions and are able to be independently valued.

The Responsible Entity has no obligation to give such a notice. The Responsible Entity may without limitation make a distribution of the proceeds from realisation of the Side Pocket assets to the relevant investors in cash or additional units in the Fund.

## Fund Liquidity

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 be liquid if at least 80% of its assets are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and assets that the Responsible Entity reasonably expects are realisable for their market value within the period specified in the Constitution for satisfying redemption requests.

## Terms and conditions for withdrawals

The Responsible Entity is not required to give effect to a withdrawal request if it is for less than the Minimum Withdrawal Amount determined by the Responsible Entity from time to time and does not relate to the balance of an investor's investment.

The Responsible Entity will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawal payments are not made to third parties (including authorised nominees) and are only 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 withdrawal request (including by way of facsimile) 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 such withdrawal request.

The investor agrees that any payment made in accordance with a withdrawal request is a complete satisfaction of the obligations of the Responsible Entity. This is notwithstanding any fact or circumstance including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with a withdrawal request, the investor and any person claiming through or under them shall have no claim against the Responsible Entity in relation to the payment.

## Appointment of Authorised Nominee to Operate Account

Investors may elect to appoint an authorised nominee to operate their account. This requires the completion of the relevant section of the Application Form. It includes the name



and signature of the authorised nominee, the signature of the investor and the date. Only investors can appoint authorised nominees. If you appoint an authorised nominee:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Responsible Entity.

If the Responsible Entity determines that the circumstances require, the Responsible Entity may cancel an appointment by giving the investor 14 days' notice in writing. If an appointment is cancelled, the Responsible Entity is obliged to act on the instructions of the authorised nominee. If the instructions are varied, the Responsible Entity will act only in accordance with the varied instructions. By completing and lodging the relevant sections on authorised nominees on the Application Form you release, discharge and agree to indemnify the Responsible Entity from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Responsible Entity acting on the instructions of your authorised nominee.

You agree that any instructions of your authorised nominee to the Responsible Entity, which are followed by the Responsible Entity, is a complete satisfaction of the obligations of the Responsible Entity. This is notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if the authorised nominee's instructions are followed by the Responsible Entity, you and any person claiming through or under you shall have no claim against the Responsible Entity in relation to the instructions.

## Powers of an Authorised Nominee

An authorised nominee can, among other things:

- apply for additional investment units;
- request that distribution instructions be altered;
- change bank account details;
- withdraw all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

Withdrawal payments are not made to third parties. If a company is appointed as an authorised nominee, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

## 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 quarterly at the end of June, September, December and March, however, Equity Trustees may change the distribution frequency without notice.

Distributions are calculated effective the last day of each 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 nominated bank account (denominated in USD).

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.

If New Zealand investors elect to have their distribution paid in cash, they will need to nominate a bank account held in their own name with an Australian domiciled or New Zealand domiciled bank, otherwise it must be reinvested. Cash distributions will only be paid in US dollars to such an account.

## New Zealand investors

When the distribution is reinvested, New Zealand investors will be allotted units in accordance with the terms and conditions set out in this PDS.

The distribution reinvestment plan described in this PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, units will be offered to all investors holding units of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors holding units of the same class as you.

There is available from the Responsible Entity, on request and free of charge, a copy of the most recent annual report of the Fund, the most recent financial statements of the Fund, the auditor's report on those financial statements, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

## 8. Keeping track of your investment

### Enquiries

For any enquiries regarding your investment or the management of the Fund please contact the Investment Manager.

Email: [IR@FCM.com](mailto:IR@FCM.com)

Phone: 1300 089 846

### Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

Email: [compliance@eqt.com.au](mailto:compliance@eqt.com.au)

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:

Online: [www.afca.org.au](http://www.afca.org.au)

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

### Reports

We will make the following statements available to all investors:

- a transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request);
- the Fund's annual audited accounts for each period ended 30 June;
- annual distribution, tax and confirmation of holdings statements for each period ended 30 June; and
- annual report detailing each of the following:
  - the actual allocation to each asset type;
  - the liquidity profile of the portfolio assets as at the end of the period;
  - the maturity profile of the liabilities as at the end of the period;
  - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;
  - the monthly or annual investment returns over at least a five-year period;

- the Derivative counterparties engaged (including capital protection providers); and
- the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest annual report will be available online at [www.eqt.com.au/insto](http://www.eqt.com.au/insto) from 30 September each year.

The following information is available upon request by contacting the Investment Manager on 1300 089 846:

- the current total NAV of the Fund and the redemption value of a unit in each class of units as at the date the NAV was calculated;
- the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;
- the monthly or annual investment returns over at least a five-year period;
- the key service providers if they have changed since the last report given to investors, including any change in their related party status; and
- for each of the following matters since the last report on those matters:
  - the net return on the Fund's assets after fees, costs and taxes;
  - any material change in the Fund's risk profile;
  - any material change in the Fund's strategy; and
  - any change in the individuals playing a key role in investment decisions for the Fund.

The Fund is not a disclosing entity. If the Fund becomes a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations under the Corporations Act, and copies of the following documents lodged with ASIC in relation to the Fund may be obtained free of charge on request:

- the most recent annual financial report;
- any half yearly financial report lodged with ASIC after that financial report but before the date of this PDS; and
- any continuous disclosure notices lodged with ASIC after that financial report but before the date of this PDS.

Equity Trustees will comply with its continuous disclosure obligations by lodging documents with ASIC as and when required. Copies of these documents lodged with ASIC in relation to the Fund may be obtained through ASIC's website at [www.asic.gov.au](http://www.asic.gov.au).

You can contact the Investment Manager on [IR@FCM.com](mailto:IR@FCM.com) for updated information on performance, unit prices, Fund size and other general information about the Fund.

If you are an Indirect Investor, you may need to contact your IDPS Operator as you will receive reports directly from the IDPS Operator and not from the Responsible Entity. Equity Trustees will be providing the reports described above to relevant IDPS Operators, however, Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

## 9. Fees and other 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.

### 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.

### Fees and Costs Summary

Fermat ILS Yield Fund - IU Class		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs</i> The fees and costs for managing your investment	1.27% p.a. of the NAV of the Class	The management fees component of management fees and costs are accrued weekly and paid from the Class 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 Class 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.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.00% p.a. of the NAV of the Class	Transaction costs are variable and deducted from the Class as 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 fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable

## Fermat ILS Yield Fund - IU Class

<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.50% upon entry and 0.50% 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 redemption.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Not applicable	Not applicable
<b>Exit fee</b> The fee to close your investment	Not applicable	Not applicable
<b>Switching fee</b> The fee for changing investment options	Not applicable	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). See below for more details as to how the relevant fees and costs are calculated.

## 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 component of management fees and costs of 1.20% p.a. of the NAV of the Class is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued weekly and paid from the Class monthly in arrears and reflected in the unit price. As at the date of this 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 0.07% p.a. of the NAV of the Class may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy (if any). The indirect costs and other expenses component is variable and reflected in the unit price of the Fund 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 the relevant costs incurred during the financial year ended 30 June 2024.

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](http://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 Fund, the Fund 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 and the costs of over-the-counter derivatives

that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund 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 Fund 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 Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Class will incur when buying or selling assets of the Class. 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 redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.50% upon entry and 0.50% upon exit. The dollar value of these costs based on an application or a withdrawal of US\$5,000,000 is US\$25,000 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.eqt.com.au/insto](http://www.eqt.com.au/insto) 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 Class's assets and are reflected in the Class's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Class are 0.07% p.a. of the NAV of the Class, which is based on the relevant costs incurred during the financial year ended 30 June 2024.

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 3.00% of the GAV of the Class. 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 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.

### Example of annual fees and costs for an investment option

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

EXAMPLE – Fermat ILS Yield Fund - IU Class		
BALANCE OF US\$5,050,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management fees and costs	1.27% p.a.	<b>And</b> , for every US\$5,050,000 you have in the Fermat ILS Yield Fund - IU Class you will be charged or have deducted from your investment US\$64,135 each year
<b>Plus</b> Performance fees	Not applicable	<b>And</b> , you will be charged or have deducted from your investment US\$0 in performance fees each year
<b>Plus</b> Transaction costs	0.00% p.a.	<b>And</b> , you will be charged or have deducted from your investment US\$0 in transaction costs
<b>Equals</b> Cost of Fermat ILS Yield Fund - IU Class		If you had an investment of US\$5,050,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: US\$64,135* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the US\$5,050,000 balance only.

**Warning:** If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

### 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 or New Zealand Wholesale Investors. Please contact the Investment Manager on 1300 089 846 for further information.

### Taxation

Please refer to Section 10 of the Product Disclosure Statement for further information on taxation.



## 10. Taxation

This summary of taxation matters is a general guide that outlines the taxation implications that apply to the Fund and resident investors who hold their investment on capital account and are not considered to be trading in investments for tax purposes. The summary is based on the tax laws as at the date of this PDS. 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 Government, including the proposed new Collective Investment Vehicle ("CIV") regime and rules relating to the treatment of foreign sourced income. These reforms may impact on the tax position of the Fund and its investors going forward. Accordingly, it is recommended that investors seek their own professional tax advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

The tax laws that apply to non-resident investors depend on various factors, including the country of residence. Non-resident investors should seek their own professional advice on the taxation implications before investing in the Fund. The information below is based on existing and enacted tax law and practice as at the date of this PDS.

### Taxation of the Fund

#### General

The Fund is a resident trust estate for Australian tax purposes. On the basis that the Fund has distributable income (including net capital gains) and investors are presently entitled to all of the Fund's distributable income, (which is the Responsible Entity's intention) and the Fund is not a public trading trust, the Fund should be taxed as a flow-through trust. This means that investors should be taxed on their share of the Fund's net taxable income, 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 meeting certain trust loss recoupment tests.

#### Attribution Managed Investment Trust ("AMIT") regime

A new regime for the taxation of managed investment trusts that qualify as an AMIT ("the AMIT Regime") was enacted in 2016. The AMIT Regime may be applicable to the Fund provided the Fund satisfies the relevant eligibility requirements, and the Responsible Entity makes the irrevocable election for the AMIT Regime to apply to the Fund.

The Responsible Entity, together with the Fund's Tax Adviser, has made an assessment that:

- the Fund qualifies to make the election into the AMIT Regime;
- the Fund intends to make the irrevocable election for the AMIT Regime to apply to the Fund from 1 July 2017 (and the timing of the relevant election); and
- the Fund intends to make the choice to treat each class of the Fund that may be offered, as a separate AMIT.

When there is more than one class on issue, the choice to treat each class of interests as a separate AMIT is intended to be made. In this case, each class will effectively be treated for income tax purposes as a separate trust with separate trust property. Generally, the assessable income and allowable deductions and other trust attributes relating to the class will need to be identified by reference to the assets supporting that class. In addition, transactions and events involving those assets

will need to be recognised as though the class was in fact a separate trust for tax purposes. The Responsible Entity will effectively determine the taxable income for an income year separately for each class of the Fund.

When the AMIT Regime applies to the Fund, each class of the Fund will be deemed to be a 'fixed trust' for taxation purposes, can rely on specific legislative provisions to make annual adjustments to reflect under/over distributions of income for a particular income year, and the Fund's income will be 'attributed' to investors of each separate class (on a fair and reasonable basis).

The amount attributed to investors of each class will be disclosed in an AMIT Member Annual Statement ("AMMA Statement"). This is similar to a tax statement that may otherwise be provided to investors by the Responsible Entity. The AMMA Statement will set out the amount which has been 'attributed' to a particular investor and other relevant tax information.

Under the AMIT Regime, if the Fund attributes amounts to investors which are taxable, the investor is expected to be entitled to increase the tax cost base in their units in the Fund to reflect this attribution. Correspondingly, payments of cash distributions should reduce the investor's tax cost base.

#### Taxation of Financial Arrangements ("TOFA")

Broadly, under TOFA, the gains or losses (including income and/or deductions) on financial arrangements are brought to account under a compounding accruals and realisation basis.

Any gain or loss in relation to a financial arrangement, such as certain debt securities, where TOFA applies would generally be treated on revenue account (and would not be covered by the Managed Investment Trust ("MIT") capital election).

The TOFA provisions will apply to the Fund. The Investment Manager and Tax Adviser of the Fund will assist the Responsible Entity with ongoing monitoring and compliance with the TOFA rules.

#### Deemed Capital Gains Tax ("CGT") Election

Eligible MITs may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments, including equities and units and certain rights and options over equities and units but excluding foreign exchange contracts.

The Fund will make the MIT capital election. The MIT capital election should apply to the Fund. As a result, an investor's share of the net taxable income of the Fund may include an amount that consists of net capital gains derived by the Fund.

#### Foreign Account Tax Compliance Act

The United States of America enacted the Foreign Account Tax Compliance Act ("FATCA") in 2010 to identify U.S. residents that invest in assets through non-U.S. entities. In April 2014, the Australian Government signed an intergovernmental agreement (IGA) with the U.S., which requires all Australian financial institutions to comply with FATCA, as modified by the IGA.

Broadly, the Fund is required to collect and review information to determine whether it has an obligation to report information about certain investors in the Fund to the ATO (which will pass that information onto the Internal Revenue Service). Accordingly, the Fund may request certain information from you to enable the Fund to comply with its FATCA obligations.

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. The Fund will provide information about its FATCA status where required so that FATCA withholding is not applied to the relevant U.S. income or gross proceeds.

If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, the Responsible Entity will not be required to compensate unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

## Common Reporting Standard

The Common Reporting Standard ("CRS") is a standardised set of rules developed by the OECD that requires certain financial institutions resident in a participating jurisdiction to implement due diligence procedures to document and identify reportable accounts. Certain financial institutions will also be required to report certain information on those accounts to their relevant local tax authorities.

In this regard, Australia has signed the CRS Multilateral Competent Authority Agreement ("CMAA") and has enacted provisions within the domestic tax legislation to implement CRS in Australia from 1 July 2017. Australian financial institutions will need to implement due diligence procedures to document and identify relevant account holders that are non-resident individuals and entities controlled by non-residents and report certain information with respect to those account holders to the ATO. The ATO may then exchange this information with foreign tax authorities in other relevant signatory countries.

It is expected that the Fund will be a reporting financial institution under the CRS. The Fund intends to comply with its CRS obligations, which will be fulfilled by the Responsible Entity of the Fund. In this regard, unitholders may be required to provide certification of tax residency to the extent units are held on or after 1 July 2017. Penalties may apply if a unitholder provides a false certification, and unitholders may not be able to continue holding units in the Fund if the appropriate certification is not provided.

The Fund will report information on certain unitholders to the ATO, which will in turn report this information to relevant foreign tax authorities in other participating jurisdictions. The Responsible Entity will also provide information about the Fund's CRS status when requested by other financial institutions. Unlike FATCA, there is no withholding that is applicable under CRS.

The Fund and the Responsible Entity will not be liable for any loss that a unitholder may suffer as a result of the Fund's compliance with CRS.

## Taxation of Australian resident investors

### Distributions

Each Australian resident investor will be subject to taxation on their attributable share of the net taxable income derived by the Fund, including amounts that are received in a subsequent year of income or which are reinvested.

Investors who are attributed an amount from the Fund in respect of a financial year will receive an annual tax statement detailing all relevant taxation information.

The tax consequences for investors of being attributed amounts from the Fund depend on the components of the distributable income to which investors have become entitled.

### Foreign Source Income and Foreign Income Tax Offset ("FITO")

The Fund is expected to predominantly derive income that consists of foreign source income that may be subject to tax overseas, for example withholding tax, which (under some circumstances) may be distributed to investors. Where a

distribution to the investor consists of a FITO, the investor may be entitled to a FITO for the tax paid. The FITO may be used to offset the Australian tax payable on the foreign source income. Investors should include their share of both the foreign income and the amount of the FITO (if any) in their assessable income. To the extent to which the investor does not have sufficient 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 and as such will be lost.

### Non-assessable Distributions

Under current practice, distributions of non-assessable amounts are generally not subject to tax in the hands of passive investors. Broadly, the receipt of certain non-assessable amounts will generally reduce the cost base of the Australian resident investor's units in the Fund for CGT purposes. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. For more information please speak to your taxation adviser.

### Capital Gains

An investor's share of the net taxable income of the Fund may include an amount that consists of net capital gains, derived by the Fund. Where the Fund's net taxable income includes capital gains (including any discount capital gains), the investor needs to 'gross up' any discount capital gain (by the amount of any reduction in the discount capital gain that the Fund obtained). Regardless of whether the 'discount concession' amount is distributed by the Fund, individual, trust, and complying superannuation fund investors may be entitled to the discount capital gain concessions in determining their net capital gain. Investors may also be able to offset certain other capital losses they may have against their share of the capital gains included in the net taxable income distributed by the Fund (after grossing up any discount capital gains).

### Disposal of Units

If an Australian resident investor transfers or redeems their units in the Fund, this will generally constitute a disposal for tax purposes. Where an investor holds their units in the Fund on capital account, a capital gain or loss on the disposal may arise and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. 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 at least 12 months. No CGT discount is available to companies.

If an Australian resident investor realises a capital loss on their investment, the loss may be applied against other capital gains the investor may have. Unused capital losses can be carried forward and may be utilised in a future income year.

### Tax File Numbers ("TFN") and Australian Business Numbers ("ABN")

It is not compulsory for a unitholder to quote their TFN or ABN. If a unitholder is making this investment in the course of a business or enterprise, the unitholder may quote an ABN instead of a TFN. Failure by a unitholder 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 of income to the unitholder. The unitholder 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 unitholder authorises the Responsible Entity to apply it in respect of all the unitholder's investments with the Responsible Entity. If the investor does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.



## Australian taxation of non-resident investors

### Non-resident investors

The following comments are general in nature and non-resident investors should 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.

#### Tax on income

The Fund expects to derive predominantly foreign source income which would generally not be subject to Australian withholding tax when distributed by the Fund to non-resident investors.

The Fund is required to withhold Australian tax from distributions to non-resident investors for certain types of Australian sourced net taxable income, including any Australian sourced foreign exchange gains. The rate of tax deducted will depend on the type of income distributed and the country of residence of the investor.

For investors that are tax resident and provide an address or place for payment in countries that hold a tax EOI Agreement with Australia, a concessional withholding tax rate of 15% applies to 'fund payments', which are distributions of other

Australian source income. The fund payment withholding tax rate is 30% for fund payments to non-resident investors who are tax resident or provide an address or place for payment in countries that do not hold an EOI with Australia.

### Capital Gains

Based on the Fund's investment profile, generally non-resident investors should not be subject to Australian capital gains tax 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.

The CGT discount is not available for non-resident investors. It is strongly recommended that non-resident investors obtain their own tax advice.

### New Zealand resident taxation

If you are a New Zealand resident wishing to invest in Australia, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.

## 11. Other important information

### Consent

The Investment Manager and the Custodian have both given and, as at the date of this PDS, have not withdrawn:

- their written consent to be named in this PDS as the investment manager and custodian respectively of the Fund respectively; and
- written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Investment Manager and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to Equity Trustees for inclusion in this PDS.

### Constitution of the Fund

You will be issued units in the Fund when you invest. Subject to the rights, obligations and restrictions of a class, each unit represents an equal undivided fractional beneficial interest in the assets of the Fermat ILS Yield Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fermat ILS Yield Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease processing withdrawals, such as if the Fund becomes 'illiquid';
- the nature of the units - identical rights attach to all units within a class; and
- an investor's rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Fund - which is as permitted by law; and
- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets.

For example, we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees' responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests as well as other significant breaches required by law.

A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

### Non-listing of units

The units in the Fund are not listed on any stock exchange.

### Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the number of units they hold in the Fund.

### Our legal relationship with you

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investors rights. Otherwise the Constitution may be amended by way of a special resolution of investors. To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights. A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

## Compliance plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

## Unit pricing discretions policy

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 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 (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

## Indemnity

Equity Trustees, as the responsible entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in the proper performance of any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, Equity Trustees may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

## 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.

## 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.

## Information on underlying investments

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.

## 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. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

## 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:

1. stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
2. those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
3. our other service providers;
4. regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
5. 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.

## 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.

## 12. Glossary of important terms

### Application Form

The application form used by investors who wish to subscribe for units directly in the Fund, as attached to this PDS.

### ASIC

Australian Securities and Investments Commission.

### Benchmark

Eurekahedge ILS Advisers Index.

### Business Day

A day, other than a Saturday or Sunday, on which trading banks are open for general banking business in Sydney.

### Buy/Sell Spread

The Buy Spread is the difference between NAV per unit and the application price for units in the Fund, whereas the Sell Spread is the difference between NAV per unit and the withdrawal price of units in the Fund. Collectively this is known as the Buy/Sell Spread. The Buy/Sell Spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund, when investors invest in or withdraw from the Fund.

### Cash and Cash Equivalents

Bank accounts, marketable securities, commercial paper, treasury bills and short-term government bonds with a maturity date of three months or less.

### Catastrophe Bonds and Other Investment Structures

Catastrophe Bonds are one of the largest and most developed sectors of the ILS market.

Catastrophe Bonds are debt securities that are typically issued with a 3 to 5 year maturity, pay a floating rate coupon (interest payment) and will return principal to the holder if there is no triggering catastrophe during the risk period. Coupon payments (interest payments) are typically specified as a spread and they are paid in addition to a collateral return rate (such as the return of a treasury money market fund or an International Bank for Reconstruction and Development note in which the collateral would be invested during the term of the ILS).

Catastrophe Bonds are typically exposed to events such as earthquakes, hurricanes and other severe storms, wildfire, volcanic eruption, or extreme mortality.

In addition to Catastrophe Bonds, the Fund may also invest in other forms of ILS and derivatives which may include, without limitation, swaps and privately offered notes, preferred shares and similar instruments, total return swaps and futures contracts. These "private" ILS instruments are similarly structured to Catastrophe Bonds in that they return a yield to the investor in exchange for the risk of loss of invested capital due to the occurrence of catastrophic events. The main difference between private ILS and Catastrophe Bonds is that the private ILS are usually marketed to a smaller universe of buyers and are not typically modelled by an independent third party modelling firm.

### Catastrophe Bond (CAT bond)

A Catastrophe Bond (CAT) is a high-yield debt instrument that is designed to raise money for companies in the insurance industry in the event of a natural disaster. A CAT bond allows the issuer to receive funding from the bond only if specific conditions, such as an earthquake or tornado, occur. In exchange, the issuer pays premium in the form of a monthly or quarterly coupon payment.

### Constitution

The Constitution of the Fund dated 21 December 2011, as amended from time to time, which describes the rights, responsibilities and beneficial interests of both investors and the Responsible Entity in relation to the Fund.

### Corporations Act

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

### Custodian and Administrator

The custodian and administrator of the Fund is State Street Australia Limited.

### Derivatives

Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may relate to securities, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples include options contracts, futures contracts, options on futures contracts, and swap agreements.

### GST

Australian Goods and Services Tax.

### IPDS

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. In New Zealand, the IDPS Operator needs to be licensed as a Discretionary Investment Management Service provider.

### IPDS Guide

A summary of significant information which contains references to the scheme

### IDPS Operator

Person authorised to make some decisions in accordance to some standing instruction

### Indirect Investors

An investor who is invested in the scheme via a platform

### Industry Loss Warranties (ILWs)

Industry loss warranties (ILWs), are a type of reinsurance contract used in the insurance industry through which one party will purchase protection based on the total loss arising from an event to the entire insurance industry above a certain trigger level rather than their own losses

### Insurance Linked Securities or ILS

Insurance-linked securities, or ILS, are essentially financial instruments which are sold to investors whose value is affected by an insured loss event. As such the term insurance-linked security encompasses Catastrophe Bonds and other forms of risk-linked securitization.

### Investment Manager

The investment manager of the Fund and the Master Fund is Fermat Capital Management, LLC.

### Management Costs

Total costs associated with investment in the Fund (including responsible entity fees and estimated expense recoveries) but excluding extraordinary expenses and transactional and operational costs

**Master Fund**

The master fund is the Fermat Cat Bond Fund

**Minimum Withdrawal Amount**

US\$100,000 or such other amount as determined by the Responsible Entity from time to time.

**Net Asset Value or NAV**

The value of assets of the Fund, less the value of the liabilities of the Fund (excluding net assets attributable to unit holders).

**OECD**

Organisation for Economic Co-operation and Development

**OTC Derivatives**

Over the counter derivatives

**Responsible Entity**

The responsible entity for the Fund is Equity Trustees Limited (ABN 46 004 031 298 AFSL No 240975).

**Retail Client**

A person or entity as defined under section 761G of the Corporations Act.

**RITC**

Reduced Input Tax Credits. 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.

**Wholesale Client**

A person or entity as defined under section 761G of the Corporations Act.

**Wholesale Investor**

In the case of a New Zealand investor, means a Wholesale Client who also meets the definition of wholesale investor under clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).





## Fermat ILS YIELD FUND – IU CLASS APPLICATION FORM

This application form accompanies the Product Disclosure Statement (PDS)/Information Memorandum (IM) relating to units in the following product/s issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975). The PDS/IM contains information about investing in the Fund/Trust. You should read the PDS/IM in its entirety before applying.

- Fermat ILS Yield Fund – IU Class

The law prohibits any person passing this Application Form on to another person unless it is accompanied by a complete PDS/IM.

- If completing by hand, use a black or blue pen and print within the boxes in BLOCK LETTERS, if you make a mistake, cross it out and initial. DO NOT use correction fluid
- The investor(s) must complete and sign this form
- Keep a photocopy of your completed Application Form for your records

U.S. Persons: This offer is not open to any U.S. Person. Please refer to the PDS/IM for further information.

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

We are required to collect certain information to comply with FATCA and CRS, please ensure you complete section 7.

#### **If investing with an authorised representative, agent or financial adviser**

Please ensure you, your authorised representative, agent and/or financial adviser also complete Section 6.

#### **Provide certified copies of your identification documents**

Please refer to section 9 on AML/CTF Identity Verification Requirements.

#### **Send your documents & make your payment**

See section 2 for payment options and where to send your application form.



## SECTION 1 – ARE YOU AN EXISTING INVESTOR IN THE FUND/TRUST AND WISH TO ADD TO YOUR INVESTMENT?

**Do you have an existing investment in the Fund/Trust and the information provided remains current and correct?**

- ☐ **Yes**, if you can tick both of the boxes below, complete Sections 2 and 8
- ☐ I/We confirm there are no changes to our identification documents previously provided and that these remain current and valid.
- ☐ I/We confirm there have been no changes to our FATCA or CRS status

Existing investor number:

If there have been changes in your identification documents or FATCA/CRS status since your last application, please complete the full Application Form as indicated below.

- ☐ **No**, please complete sections relevant to you as indicated below:

### Investor Type:

- ☐ **Individuals/Joint:** complete section 2, 3, 6 (if applicable), 7, 8 & 9
- ☐ **Companies:** complete section 2, 4, 6 (if applicable), 7, 8 & 9
- ☐ **Custodians on behalf of underlying clients:** complete section 2, 4, 5, 5.1, 6 (if applicable), 7, 8 & 9
- ☐ **Trusts/superannuation funds:**
- with an individual trustee – complete sections 2, 3, 5, 6 (if applicable), 7, 8 & 9
  - with a company as a trustee – complete sections 2, 4, 5, 6 (if applicable), 7, 8 & 9

If you are an Association, Co-operative, Partnership, Government Body or other type of entity not listed above, please contact Equity Trustees.

## SECTION 2 – INVESTMENT DETAILS

Investment to be held in the name(s) of (must include name(s) of investor(s))

Postal address

Suburb

State

Postcode

Country

Email address

Contact no.

FUND/TRUST NAME	APIR CODE	APPLICATION AMOUNT (AUD)
Fermat ILS Yield Fund – IU Class	ETL0999AU	\$

The minimum initial investment is US\$5,000,000.

### Distribution Instructions

If you do not select a distribution option, we will automatically reinvest your distribution. If you select cash, please ensure you provide your bank details below.

- ☐ **Reinvest distributions** if you select this option your distribution will be reinvested in the Fund/
- ☐ **Pay distributions to the bank** if you select this option your distribution will be paid to the bank account below

### Investor bank details

For withdrawals and distributions (if applicable), these must match the investor(s)' name and must be an AUD-denominated bank account with an Australian domiciled bank.

Financial institution name and branch location

BSB number

Account number

Account name

### Payment method

- ☐ Cheque – payable to <State Street Australia Ltd ACF Fermat ILS Yield Fund>
- ☐ Direct credit – pay to:

Financial institution name and branch location	State Street Bank & Trust Company Level 14 420 George Street Sydney NSW 2000
ABA number	026009166
Account number	40436501
Swift/BIC	SBOSUS3NXXXX
Account name	State Street Bank & Trust Co, Australian Custody Clearing Account, Sydney
Reference	FGTU

### Source of investment

Please indicate the source of the investment amount (e.g. retirement savings, employment income):

### Send your completed Application Form to:

Attention: Fermat ILS Yield Fund Unit Registry  
State Street Australia Limited  
Unit Registry, Level 14, 420 George Street, Sydney NSW 2000  
Fax: +61 2 9323 6411

**Please ensure you have completed all relevant sections and signed the Application Form**

## SECTION 3 – INVESTOR DETAILS – INDIVIDUALS/JOINT

Please complete if you are investing individually, jointly or you are an individual or joint trustee.

**See Group A AML/CTF Identity Verification Requirements in Section 9**

### Investor 1

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.

Date of birth (DD/MM/YYYY)

<input type="text"/>	/	<input type="text"/>
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Tax File Number\* – or exemption code

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Country of birth

Occupation

Does the investor named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

☐ No

☐ Yes, please give details:

### Investor 2

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.

Date of birth (DD/MM/YYYY)

<input type="text"/>	/	<input type="text"/>
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Tax File Number\* – or exemption code

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Country of birth

Occupation

**If there are more than 2 registered owners, please provide details as an attachment.**

Does the investor named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

☐ No

☐ Yes, please give details:

## SECTION 4 – INVESTOR DETAILS – COMPANIES/CORPORATE TRUSTEE

Please complete if you are investing for a company or where the company is acting as trustee.

**See Group B AML/CTF Identity Verification Requirements in Section 9**

Full company name (as registered with ASIC or relevant foreign registered body)

Registered office address (not a PO Box/RMB/Locked Bag)

Suburb

State

Postcode

Country





Australian Company Number

Tax File Number\* – or exemption code



Australian Business Number\* (if registered in Australia) or equivalent foreign company identifier

### Contact Person

Title

First name(s)

Surname




Email address

(Statements will be sent to this address, unless you elect otherwise in Section 6)

Contact no.



**Principal place of business:** If the principal place of business is the same as the registered office street address, state 'As above' below. Otherwise provide address details. For foreign companies registered with ASIC please provide a local agent name and address if you do not have a principal place of business in Australia.

**Principal Place of Business Address (not a PO Box/RMB/Locked Bag)**

Suburb

State

Postcode

Country





### Registration details

Name of regulatory body

Identification number (e.g. ARBN)



### Controlling Persons, Directors and Beneficial Owners

All beneficial owners who own, hold or control either directly or indirectly 25% or more of the issued capital of a proprietary or private company that is not regulated i.e. does not have an AFSL or ACLN etc., will need to provide Group A AML/CTF Identity Verification Requirements specified in Section 9. In the case of an unregulated public company not listed on a securities exchange, provide the details of the senior managing official(s) as controlling person(s) (e.g. managing director, senior executive(s) etc. who is/are authorised to sign on the company's behalf, and make policy, operational and financial decisions) in the following sections. All proprietary and private companies, whether regulated or unregulated, must provide the names of all of the directors.

## Names of the Directors of a Proprietary or Private Company whether regulated or unregulated

1	2
3	4

If there are more than 4 directors, please write the other names below.

### Names of the Beneficial Owners or Senior Managing Official(s)

Select:

- ☐ Beneficial owner 1 of an unregulated proprietary or private company; OR
- ☐ Senior Managing Official of an unregulated, unlisted, public (e.g. Limited) company

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)

 /  

Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- ☐ No ☐ Yes, please give details:

Select:

- ☐ Beneficial owner 2 of an unregulated proprietary or private company; OR
- ☐ Senior Managing Official of an unregulated, unlisted, public (e.g. Limited) company

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)

 /  

Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- ☐ No ☐ Yes, please give details:

**If there are more than 2 beneficial owners or managing officials, please copy and complete this page for the other persons or alternatively, provide the additional details as an attachment.**



## SECTION 5 – INVESTOR DETAILS – TRUSTS/SUPERANNUATION FUNDS

Please complete if you are investing for a trust or superannuation fund.

**See Group C AML/CTF Identity Verification Requirements in section 9**

Full name of trust or superannuation fund

Full name of business (if any)

Country where established

Australian Business Number\* (if obtained)

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Tax File Number\* – or exemption code

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Trustee details – How many trustees are there?

- ☐ **Individual trustee(s)** – complete Section 3 – Investor details – Individuals/Joint
- ☐ **Company trustee(s)** – complete Section 4 – Investor details – Companies/Corporate Trustee
- ☐ **Combination** – trustee(s) to complete each relevant section

### Type of Trust

- ☐ **Registered Managed Investment Scheme**

Australian Registered Scheme Number (ARSN)

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- ☐ **Regulated Trust** (including self-managed superannuation funds and registered charities that are trusts)

Name of Regulator (e.g. ASIC, APRA, ATO, ACNC)

Registration/Licence details or ABN

- ☐ **Other Trust** (unregulated)

Please describe

#### Beneficiaries of an unregulated trust

Please provide details below of any beneficiaries who directly or indirectly are entitled to an interest of 25% or more of the trust.

1	2
3	4

If there are no beneficiaries of the trust, describe the class of beneficiary (e.g. the name of the family group, class of unit holders, the charitable purpose or charity name):

**Other Trust** (unregulated) Continued**Settlor details**

Please provide the full name and last known address of the settlor of the trust where the initial asset contribution to the trust was greater than \$10,000.

- ☐ This information is not required if the initial asset contribution was less than \$10,000, and/or
- ☐ This information is not required if the settlor is deceased

Settlor's full name and last known address


Beneficial owners of an unregulated trust

Please provide details below of any beneficial owner of the trust. A beneficial owner is any individual who directly or indirectly has a 25% or greater interest in the trust or is a person who exerts control over the trust. This includes the appointer of the trust who holds the power to appoint or remove the trustees of the trust.

**All beneficial owners will need to provide Group A AML/CTF Identity Verification Requirements in Section 9**

**Beneficial owner 1 or Controlling Person 1**

Select:

- ☐ Beneficial owner 1; OR
- ☐ Controlling Person – What is the role e.g. Appointer:

--

Title

First name(s)

Surname

--

--

--

Residential address (not a PO Box/RMB/Locked Bag)

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Suburb

State

Postcode

Country

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Date of birth (DD/MM/YYYY)

	/		/	
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Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- ☐ No ☐ Yes, please give details:

--

**Beneficial owner 2 or Controlling Person**

**2** Select:

- ☐ Beneficial owner 2; OR
- ☐ Controlling Person – What is the role e.g. Appointer:

--

Title

First name(s)

Surname

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--

--

Residential address (not a PO Box/RMB/Locked Bag)

--

Suburb

State

Postcode

Country

--

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Date of birth (DD/MM/YYYY)

	/		/	
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**If there are more than 2 beneficial owners, please provide details as an attachment.**

Does the beneficial owner named above hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

☐ No

☐ Yes, please give details:

**If there are more than 2 beneficial owners or controlling persons, please copy and complete this page for the other persons or alternatively, provide the additional details as an attachment.**

## **SECTION 5.1 – CUSTODIAN ATTESTATION: CHAPTER 4, PARTS 4.4.18 AND 4.4.19 OF THE AML/CTF RULES**

**If you are a Company completing this Application Form on behalf of an individual, another company, a trust or other entity, in a Custodial capacity, please complete this section.**

In accordance with Chapter 4, part 4.4.19 (1)(a) to (d) of the AML/CTF Rules, does the Custodian meet the definition (see 'Section 10 – Glossary') of a Custodian?

☐ No

☐ Yes

In accordance with Chapter 4, part 4.4.19 (e) of the AML/CTF Rules, do you, in your capacity as Custodian attest that prior to requesting this designated service from Equity Trustees, it has carried out and will continue to carry out, all applicable customer identification procedures on the underlying account holder named or to be named in the Fund's register, including conducting ongoing customer due diligence requirements in accordance with Chapter 15 of the AML/CTF Rules?

☐ No

☐ Yes

If you answered YES to all of the above questions, then Equity Trustees is able to apply the Chapter 4, part 4.4 Custodian rules to this account and will rely upon the customer due diligence conducted by the Custodian on the underlying account holder named or to be named in the Fund's register.

If requested to do so at any time after the provision of this designated service, the Custodian agrees to honour any reasonable request made by Equity Trustees for information or evidence about the underlying account holder in order to allow Equity Trustees to meet its obligations under the AML/CTF Act.

☐ No

☐ Yes

Excepting the below circumstances where the custodian answered NO or did not complete any of the above questions, no other information about the underlying account holder is required to be collected. However, further information about you as the Custodian and as a company is required to be collected and verified as required by the AML/CTF rules. Please complete the rest of this form for the Custodian.

### **Excepting circumstances:**

If you answered NO or did not complete any of the above questions, then we are unable to apply the Chapter 4, part 4.4 Custodian rules to this application. We are therefore obligated to conduct full Know Your Client procedures on the underlying account holder named or to be named in the Fund's register including any named nominee, as well as the trustees, beneficial owners and controlling persons of the underlying named account in addition to the Custodian. Therefore, please complete the relevant forms and provide identity documents for all parties connected to this account.

## SECTION 6 – AUTHORISED REPRESENTATIVE, AGENT AND/OR FINANCIAL ADVISER

Please complete if you are appointing an authorised representative, agent and/or financial adviser.

**See Group D AML/CTF Identity Verification Requirements in Section 9**

- ☐ I am an **authorised representative or agent** as nominated by the investor(s)

You must attach a valid authority such as Power of Attorney, guardianship order, grant of probate, appointment of bankruptcy etc. that is a certified copy. The document must be current and complete, signed by the investor or a court official and permits the authorised representative or agent to transact on behalf of the investor.

Full name of authorised representative or agent

Role held with investor(s)

Signature

Date



- ☐ I am a **financial adviser** as nominated by the investor

Name of adviser

AFSL number



Dealer group

Name of advisory firm



Postage address

Suburb

State

Postcode

Country





Email address

Contact no.



### Financial Advice (only complete if applicable)

- ☐ The investor has received personal financial product advice in relation to this investment from a licensed financial adviser and that advice is current.

### Financial Adviser Declaration

- ☐ I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
- ☐ I/We hereby declare that the investor is not a US Person as defined in the PDS/IM.
- ☐ I/We have attached the relevant CIP documents;

Signature

Date

## Access to information

Unless you elect otherwise, your authorised representative, agent and/or financial adviser will also be provided access to your investment information and/or receive copies of statements and transaction confirmations. By appointing an authorised representative, agent and/or financial adviser you acknowledge that you have read and agreed to the terms and conditions in the PDS/IM relating to such appointment.

- ☐ Please tick this box if you DO NOT want your authorised representative, agent and/or financial adviser to have access to information about your investment.
- ☐ Please tick this box if you DO NOT want copies of statements and transaction confirmations sent to your authorised representative, agent and/or financial adviser.
- ☐ Please tick this box if you want statements and transaction confirmations sent ONLY to your authorised representative, agent and/or financial adviser.

## SECTION 7 – FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA), COMMON REPORTING STANDARD (CRS) SELF-CERTIFICATION FORM – ALL INVESTORS MUST COMPLETE

### Sub-Section I – Individuals

Please fill this Sub-Section I only if you are an individual. If you are an entity, please fill Sub-Section II.

#### 1. Are you a US tax resident (e.g. US citizen or US resident)?

- ☐ Yes: provide your US Taxpayer Identification Number (TIN) and continue to question 2

Investor 1

Investor 2

- ☐ No: continue to question 2

#### 2. Are you a tax resident of any other country outside of Australia?

- ☐ Yes: state each country and provide your TIN or equivalent (or Reason Code if no TIN is provided) for each jurisdiction below and skip to question 12

##### Investor 1

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

##### Investor 2

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If more space is needed please provide details as an attachment.*

- ☐ No: skip to question 12

#### Reason Code:

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	



## Sub-Section II – Entities

Please fill this Sub-Section II only if you are an entity. If you are an individual, please fill Sub-Section I.

### 3. Are you an Australian complying superannuation fund?

- ☐ Yes: skip to question 12
- ☐ No: continue to question 4

## FATCA

### 4. Are you a US Person?

- ☐ Yes: continue to question 5
- ☐ No: skip to question 6

### 5. Are you a Specified US Person?

- ☐ Yes: provide your TIN below and skip to question 7

- ☐ No: indicate exemption type and skip to question 7

### 6. Are you a Financial Institution for the purposes of FATCA?

- ☐ Yes: provide your Global Intermediary Identification Number (GIIN)

If you do not have a GIIN, please provide your FATCA status below and then continue to question 7. If you are a sponsored entity, please provide your GIIN above and your sponsor's details below and then continue to question 7.

- ☐ Exempt Beneficial Owner, provide type below:

- ☐ Deemed-Compliant FFI (other than a Sponsored Investment Entity or a Trustee Documented Trust), provide type below:

- ☐ Non-Participating FFI, provide type below:

- ☐ Sponsored Entity. Please provide the Sponsoring Entity's name and GIIN:


- ☐ Trustee Documented Trust. Please provide your Trustee's name and GIIN:


- ☐ Other, provide details:

- ☐ No: continue to question 7

**CRS****7. Are you a tax resident of any country outside of Australia and the US?**

- ☐ Yes: state each country and provide your TIN or equivalent (or Reason Code if no TIN is provided) for each jurisdiction below and continue to question 8

**Investor 1**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

**Investor 2**

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If more space is needed please provide details as an attachment.*

**Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	

- ☐ No: continue to question 8

**8. Are you a Financial Institution for the purpose of CRS?**

- ☐ Yes: specify the type of Financial Institution below and continue to question 9

- ☐ Reporting Financial Institution
- ☐ Non-Reporting Financial Institution:
- ☐ Trustee Documented Trust
- ☐ Other: please specify:

- ☐ No: skip to question 10

**9. Are you an investment entity resident in a non-participating jurisdiction for CRS purposes and managed by another financial institution?**

- ☐ Yes: skip to question 11
- ☐ No: skip to question 12

## Non-Financial Entities

### 10. Are you an Active Non-Financial Entity (Active NFE)?

- ☐ Yes: specify the type of Active NFE below and skip to question 12:
- ☐ Less than 50% of the entity's gross income from the preceding calendar year is passive income (e.g. dividends, distribution, interests, royalties and rental income) and less than 50% of its assets during the preceding calendar year are assets held for the production of passive income
- ☐ Corporation that is regularly traded or a related entity of a regularly traded corporation
- Provide name of Listed Entity:
- and exchange on which traded:
- ☐ Governmental Entity, International Organisation or Central Bank
- ☐ Other: please specify:
- ☐ No: you are a Passive Non-Financial Entity (Passive NFE). Continue to question 11

## Controlling Persons

### 11. Does one or more of the following apply to you:

- Is any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital) a tax resident of any country outside of Australia?
- If you are a trust, is any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust a tax resident of any country outside of Australia?
- Where no natural person is identified as exercising control of the entity, the controlling person will be the natural person(s) who holds the position of senior managing official.

- ☐ Yes. provide controlling person information below:

#### Controlling person 1

Title  First name(s)  Surname

Residential address (not a PO Box/RMB/Locked Bag)

Suburb  State  Postcode  Country

Date of birth (DD/MM/YYYY)  /  /

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>

**Controlling person 2**

Title	First name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (not a PO Box/RMB/Locked Bag)

Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Date of birth (DD/MM/YYYY)  /  / 

Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1		
2		

*If there are more than 2 controlling persons, please provide details as an attachment.***Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

	Reason B explanation
Investor 1	
Investor 2	

☐ No: continue to question 12**12. Signature and Declaration – ALL investors must sign**☐ I undertake to provide a suitably updated self-certification within 30 days of any change in circumstances which causes the information contained herein to become incorrect.☐ I declare the information above to be true and correct.**Investor 1**

Name of individual/entity

Name of authorised representative

Signature

Date

**Investor 2**

Name of individual/entity

Name of authorised representative

Signature

Date

## SECTION 8 – DECLARATIONS – ALL INVESTORS MUST COMPLETE

In most cases the information that you provide in this form will satisfy the AML/CTF Act, the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act, FATCA and CRS.

### When you complete this Application Form you make the following declarations:

- I/We have received the PDS/IM and made this application in Australia (and/or New Zealand for those offers made in New Zealand).
  - I/We have read the PDS/IM to which this Application Form applies and agree to be bound by the terms and conditions of the PDS/IM and the Constitution of the relevant Fund/Trust in which I/we have chosen to invest.
  - I/we have carefully considered the features of Fund/Trust as described in the PDS (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund/Trust is consistent with my/our investment objectives, financial circumstances and needs.\*
  - I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
  - I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
  - I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund/Trust in which I/We have chosen to invest.
  - I/We acknowledge and agree that Equity Trustees has outlined in the PDS/IM provided to me/us how and where I/we can obtain a copy of the Equity Trustees Group Privacy Statement.
  - I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of Equity Trustees or its related bodies corporate and to foreign government agencies for reporting purposes (if necessary).
  - I/we hereby confirm that the personal information that I/we have provided to Equity Trustees is correct and current in every detail, and should these details change, I/we shall promptly advise Equity Trustees in writing of the change(s).
  - I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
  - If I/we have provided an email address, I/we consent to receive ongoing investor information including PDS/IM information, confirmations of transactions and additional information as applicable via email.
  - I/We acknowledge that Equity Trustees does not guarantee the repayment of capital or the performance of the Fund/Trust or any particular rate of return from the Fund/Trust.
  - I/We acknowledge that an investment in the Fund/Trust is not a deposit with or liability of Equity Trustees and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
  - I/We acknowledge that Equity Trustees is not responsible for the delays in receipt of monies caused by the postal service or the investor's bank.
  - If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
  - If I/we have completed and lodged the relevant sections on authorised representatives, agents and/or financial advisers on the Application Form then I/we agree to release, discharge and indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Equity Trustees acting on the instructions of my/our authorised representatives, agents and/or financial advisers.
  - If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
- I/we are ineligible to hold units in a Fund/Trust or have provided misleading information in my/our Application Form; or
  - I/we owe any amounts to Equity Trustees, then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund/Trust.
- **For Wholesale Clients\*** – I/We acknowledge that I am/we are a Wholesale Client (as defined in Section 761G of the Corporations Act 2001 (Cth)) and are therefore eligible to hold units in the Fund/Trust.
  - **For New Zealand applicants\*** – I/we have read the terms of the offer relating to New Zealand investors, including the New Zealand warning statement.
  - **For New Zealand Wholesale Investors\*** – I/We acknowledge and agree that:
    - I/We have read the “New Zealand Wholesale Investor Fact Sheet” and PDS/IM or “New Zealand Investors: Selling Restriction” for the Fund/Trust;
    - I am/We are a Wholesale Investor and am/are therefore eligible to hold units in the Fund/Trust; and I/
    - We have not:

- Offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund/Trust;
  - Granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund/Trust; and
  - Distributed and will not distribute, directly or indirectly, the PDS/IM or any other offering materials or advertisement in relation to any offer of units in the Fund/Trust, in each case in New Zealand, other than to a person who is a Wholesale Investor; and
- I/We will notify Equity Trustees if I/we cease to be a Wholesale Investor; and
  - I/We have separately provided a signed Wholesale Investor Certification located at the end of this Application Form.

All references to Wholesale Investor in this Declaration are a reference to Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

☐ Disregard if not applicable.

**☐ Terms and conditions for collection of Tax File Numbers (TFN) and Australian Business Numbers (ABN)**

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption, we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements.

For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund/Trust where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

**When you sign this Application Form you declare that you have read, agree to and make the declarations above**

**Investor 1**

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date

Company Seal (if applicable)

**Investor 2**

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date



## SECTION 9 – AML/CTF IDENTITY VERIFICATION REQUIREMENTS

The AML/CTF Act requires the Responsible Entity to adopt and maintain an Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program. The AML/CTF Program includes ongoing customer due diligence, which may require the Responsible Entity to collect further information.

- Identification documentation provided must be in the name of the investor.
- Non-English language documents must be translated by an accredited translator. Provide both the foreign language document and the accredited English translation.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please contact Equity Trustees.

**These documents should be provided as an original or a CERTIFIED COPY of the original.**

### Who can certify?

Below is an example of who can certify proof of ID documents under the AML/CTF requirements:

- Bailiff
- Bank officer with 5 or more years of continuous service
- Building society officer with 5 or more years of continuous service
- Chiropractor (licensed or registered)
- Clerk of court
- Commissioner for Affidavits
- Commissioner for Declarations
- Credit union officer with 5 or more years of continuous service
- Dentist (licensed or registered)
- Fellow of the National Tax Accountant's Association
- Finance company officer with 5 or more years of continuous service
- Judge of a court
- Justice of the peace
- Legal practitioner (licensed or registered) Magistrate
- Marriage celebrant licensed or registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961
- Master of a court
- Medical practitioner (licensed or registered) Member of Chartered Secretaries Australia Member of Engineers Australia, other than at the grade of student
- Member of the Association of Taxation and Management Accountants
- Member of the Australian Defence Force with 5 or more years of continuous service
- Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the Institute of Public Accountants
- Member of the Parliament of the Commonwealth, a State, a Territory Legislature, or a local government authority of a State or Territory
- Minister of religion licensed or registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961
- Nurse (licensed or registered)
- Optometrist (licensed or registered)
- Permanent employee of Commonwealth, State or local government authority with at least 5 or more years of continuous service.
- Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service
- Pharmacist (licensed or registered)
- Physiotherapist (licensed or registered)
- Police officer
- Psychologist (licensed or registered)
- Registrar, or Deputy Registrar, of a court
- Sheriff
- Teacher employed on a full-time basis at a school or tertiary education institution
- Veterinary surgeon (licensed or registered)

### When certifying documents, the following process must be followed:

- All copied pages of original proof of ID documents must be certified and the certification must not be older than 2 years.
- The authorised individual must ensure that the original and the copy are identical; then write or stamp on the copied document "certified true copy". This must be followed by the date and signature, printed name and qualification of the authorised individual.
- In cases where an extract of a document is photocopied to verify customer ID, the authorised individual should write or stamp "certified true extract".

## GROUP A – Individuals/Joint

Each individual investor, individual trustee, beneficial owner, or individual agent or authorised representative must provide one of the following primary photographic ID:

- ☐ A current Australian driver's licence (or foreign equivalent) that includes a photo and signature.
- ☐ An Australian passport (not expired more than 2 years previously).
- ☐ A foreign passport or international travel document (must not be expired)
- ☐ An identity card issued by a State or Territory Government that includes a photo.

If you do NOT own one of the above ID documents, please provide one valid option from Column A and one valid option from Column B.

Column A	Column B
<input type="checkbox"/> Australian birth certificate.	<input type="checkbox"/> A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
<input type="checkbox"/> Australian citizenship certificate.	<input type="checkbox"/> A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
<input type="checkbox"/> Pension card issued by Department of Human Services.	<input type="checkbox"/> A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).
	<input type="checkbox"/> If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school.

## GROUP B – Companies

For Australian Registered Companies, provide one of the following (must clearly show the Company's full name, type (private or public) and ACN):

- ☐ A certified copy of the company's Certificate of Registration or incorporation issued by ASIC.
- ☐ A copy of information regarding the company's licence or other information held by the relevant Commonwealth, State or Territory regulatory body e.g. AFSL, RSE, ACL etc.
- ☐ A full company search issued in the previous 3 months or the company's last annual statement issued by ASIC.
- ☐ If the company is listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code.
- ☐ If the company is a majority owned subsidiary of a company listed on an Australian securities exchange, provide details of the holding company name, its registration number e.g. ACN, the securities exchange and the ticker (issuer) code.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ACN issued by ASIC.

For Foreign Companies, provide one of the following:

- ☐ A certified copy of the company's Certificate of Registration or incorporation issued by the foreign jurisdiction(s) in which the company was incorporated, established or formed.
- ☐ A certified copy of the company's articles of association or constitution.
- ☐ A copy of a company search on the ASIC database or relevant foreign registration body.
- ☐ A copy of the last annual statement issued by the company regulator.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ARBN issued by ASIC, or the identification number issued to the company by the foreign regulator.

**In addition, please provide verification documents for each beneficial owner or controlling person (senior managing official and shareholder) as listed under Group A.**

A beneficial owner of a company is any person entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or who holds the position of senior managing official (or equivalent) and is thus the controlling person.

## GROUP C – Trusts

For a Registered Managed Investment Scheme, Government Superannuation Fund or a trust registered with the Australian Charities and Not-for-Profit Commission (ACNC), or a regulated, complying Superannuation Fund, retirement or pension fund (including a self-managed super fund), provide one of the following:

- ☐ A copy of the company search of the relevant regulator's website e.g. APRA, ASIC or ATO.
- ☐ A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.
- ☐ A copy from the ACNC of information registered about the trust as a charity
- ☐ Annual report or audited financial statements.
- ☐ A certified copy of a notice issued by the ATO within the previous 12 months.
- ☐ A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

For all other Unregulated trust (including a Foreign trust), provide the following:

- ☐ A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

**If the trustee is an individual, please also provide verification documents for one trustee as listed under Group A.**

**If the trustee is a company, please also provide verification documents for a company as listed under Group B.**

## GROUP D – Authorised Representatives and Agents

In addition to the above entity groups:

- ☐ If you are an **Individual Authorised Representative or Agent** – please also provide the identification documents listed under Group A.
- ☐ If you are a **Corporate Authorised Representative or Agent** – please also provide the identification documents listed under Group B.

All Authorised Representatives and Agents must also provide a certified copy of their authority to act for the investor e.g. the POA, guardianship order, Executor or Administrator of a deceased estate, authority granted to a bankruptcy trustee, authority granted to the State or Public Trustee etc.

## SECTION 10 – GLOSSARY

Custodian – means a company that:

- a) is acting in the capacity of a trustee; and
- b) is providing a custodial or depository service of the kind described in item 46 of table 1 in subsection 6(2) of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act); and
- c) either:
  - i. holds an Australian financial services licence authorising it to provide custodial or depository services under the Corporations Act 2001; or
  - ii. is exempt under the Corporations Act 2001 from the requirement to hold such a licence; and
- d) either:
  - i. satisfies one of the 'geographical link' tests in subsection 6(6) of the AML/CTF Act; or
  - ii. has certified in writing to the relevant reporting entity that its name and enrolment details are entered on the Reporting Entities Roll; and
- e) has certified in writing to the relevant reporting entity that it has carried out all applicable customer identification procedures and ongoing customer due diligence requirements in accordance with Chapter 15 of the AML/CTF Rules in relation to its underlying customers prior to, or at the time of, becoming a customer of the reporting entity.