

# SPARX JAPAN FOCUS ALL CAP AUSTRALIAN FEEDER FUND - Wholesale Accumulating Class and Wholesale Distributing Class

## Reference Guide

ARSN 689 545 739

Issue Date 12 August 2025

### About this Reference Guide

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity"). The information in this document forms part of the Product Disclosure Statement ("PDS") for Wholesale Accumulating Class and Wholesale Distributing Class of the SPARX Japan Focus All Cap Australian Feeder Fund (the "Fund") dated 12 August 2025 and should be read together with the PDS before making an investment decision. Where relevant, references in this document to the 'PDS' mean both the PDS and this document.

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

You can obtain a copy of the PDS and the Reference Guide, free of charge, by calling 1300 133 472 (within Australia) or +61 3 8623 5000 (outside Australia) or visiting [www.eqt.com.au](http://www.eqt.com.au).

### Contents

1. What to know before you invest in the Fund
2. How the Fund works
3. Benefits of investing in the Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information
10. Glossary

### Important Information

This Reference Guide and the PDS contain forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Responsible Entity, its directors and its management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, neither the Responsible Entity, the Investment Manager, nor any of their related entities, directors or officers make any representation, express or implied, in relation to forward looking statements and you are cautioned not to place undue reliance on these statements. These statements are subject to various risk factors that could cause the Fund's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 4 of the Product Disclosure Statement.

These and other factors could cause actual results to differ materially from those expressed in any statement contained in the PDS or this Reference Booklet.

#### U.S. Persons

The PDS does not constitute a direct or indirect offer of Securities in the U.S. or to any U.S. Person as defined in Regulation S under the US Securities Act of 1933 as amended ("U.S. Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit in Equity Trustees' discretion. The Units have not been, and will not be, registered under the US Securities Act unless otherwise approved 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. The Responsible Entity reserves the right to compulsorily withdraw any units in the Fund in accordance with the Constitution of the Fund including, but not limited to, units held by US Persons.

#### Risks

An investment in the Fund is subject to investment risks, including a possible delay in repayment and loss of income and the principal amount invested. Neither Equity Trustees, SPARX Asia Investment Advisors Limited ("SPARX" or the "Investment Manager"), nor their related bodies corporate, associates, officers or affiliates guarantee the performance of the Units or the Fund more generally, the return of an investor's capital or any specific rate of return. Key risk factors are set out in section 4 of the PDS and section 4 of this Reference Guide.

#### Further advice recommendation

You should inform yourself as to the possible tax consequences and the legal requirements which might be relevant to the application, holding, or disposal of units. If you are in any doubt about the contents of the PDS and this Reference Guide, you should consult your professional financial adviser. Neither document is a recommendation to invest.

#### Representations

In making a decision on whether to invest in the Fund, investors should undertake their own due diligence and not rely only on the information contained in the PDS or this Reference Guide. The information in the PDS and this Reference Guide is general information only and does not take into account an investor's individual objectives, financial circumstances or requirements. Investors should read the PDS and this Reference Guide in their entirety prior to making a decision to invest and, where appropriate, seek independent professional advice.

#### Investment Manager

SPARX Asia Investment Advisors Limited  
Address: Suite 1706, 17<sup>th</sup> Floor, Central Plaza, 18 Harbour Road,  
Wanchai, Hong Kong  
Ph: +852 3102 7500  
Web: [www.sparxgroup.com](http://www.sparxgroup.com)

#### Administrator and Custodian

Apex Fund Services Pty Ltd  
GPO Box 4968, Sydney, NSW, 2001  
Ph: 1300 133 451 (Australia)  
+61 8259 8888 (International)  
Email: [registry@apexgroup.com](mailto:registry@apexgroup.com)

#### Responsible Entity

Equity Trustees Limited  
ABN 46 004 031 298, AFSL No. 240975  
GPO Box 2307  
Melbourne VIC 3001  
Ph: +61 3 8623 5000  
Web: [www.eqt.com.au/insto](http://www.eqt.com.au/insto)

# 1. About the Responsible Entity

## About the Responsible Entity

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 ("Equity Trustees" or "Responsible Entity"), 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.

The Responsible Entity has appointed SPARX Asia Investment Advisors Limited ("Investment Manager") as the Investment Manager of the Fund and separately as its authorised representative under its AFSL (Authorised Representative No. 001297876).

Equity Trustees is generally responsible for the operation of the Fund and must comply with all the obligations imposed on it by the Fund's Constitution, the Corporations Act and other applicable laws.

Whilst Equity Trustees is ultimately responsible for the general administration of the Fund, it has or will outsource:

- the investment management of the Fund to SPARX Asia Investment Advisors Limited;
- the administration of the Fund to Apex Fund Services Pty Ltd; and
- the custody of the Fund's assets to Apex Fund Services Pty Ltd.

## About the Fund and the Master Fund

### Structure of the Fund

The Fund is a multi-class registered managed investment scheme and is governed by the Fund's Constitution, the Corporations Act and general law. The Responsible Entity has the power under the Constitution to offer and issue units of different classes. As at the date of the PDS, the Fund consists of the Wholesale Accumulating Class and the Wholesale Distributing Class.

The Wholesale Accumulating Class and the Wholesale Distributing Class will each have the same investment strategy exposure, investment objective and risk profile, however, the key difference between the two classes is the manner in which income distributions will be distributed to investors. In particular:

- in relation to the Wholesale Accumulating Class, in the normal course the Responsible Entity does not intend to make any distributions of ordinary income to Unitholders. Any income received by the Fund is intended to be reinvested into new shares of the Master Fund; and
- in relation to the Wholesale Distributing Class, any income distributions in respect of the Wholesale Distributing Class are intended to be distributed every six months.

Each class of units issued in the Fund will confer rights in relation to specific assets that have been acquired using the application monies paid by the Unitholders in that class. Unitholders in a particular class will not generally have rights in relation to assets held by the Responsible Entity on behalf of Unitholders of other classes, though they may under certain circumstances be exposed to the losses of other classes. Holding Units within the Fund will not give Unitholders the right to participate in the management or operation of the Fund.

All rights and entitlements of each class are only to the rights, entitlements, obligations, assets, liabilities and other amounts referable to that class and to no other class of Units.

As at the date of the PDS, the Responsible Entity intends to achieve the Fund's investment objective by investing substantially all of its assets of the Wholesale Accumulating Class of the Fund into the AUD Hedged Class G of the SPARX Japan Fund and all of the assets of the Wholesale Distributing Class of the Fund into the AUD Hedged Class H of SPARX Japan Fund. For the avoidance of doubt, Unitholders of the Fund are not entitled to the ownership of shares of SPARX Japan Fund.

### Structure of the Master Fund

SPARX Japan Fund is a 'fund' of SPARX Funds plc, being an open-ended umbrella type Irish investment company with variable capital and segregated liability between sub-funds, incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 375775 and established as an undertaking for collective investment in transferable securities (UCITS) pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) ("Master Fund"). The NAV of the Master Fund is denominated in Japanese Yen.

### Master Fund Manager

The Master Fund has appointed Fundrock Management Company (Ireland) Limited (formerly known as "Bridge Fund Management Limited") ("Master Fund Manager") as its manager pursuant to the Management Agreement. The Master Fund Manager is responsible on a day-to-day basis under the supervision of the Directors, for the management of the Master Fund's affairs and distribution of the shares of the Master Fund. The Master Fund Manager is a privately-owned company incorporated with limited liability in Ireland on 16 December 2015 with registration number 573961. The Master Fund Manager is authorised by the Central Bank to act as a fund management company pursuant to the UCITS Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Communities (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds.

### Master Fund Promoter and Investment Advisor

SPARX Asset Management Co., Ltd., whose principal place of business is at Shinagawa Season Terrace 6F, 1-2-70, Konan, Minato-ku, Tokyo, 108-0075, Japan, has been appointed by the Master Fund Manager as the Master Fund's promoter and investment advisor ("Investment Advisor"). The Investment Advisor manages and invests the assets of the Master Fund in accordance with the investment objective, policies and restrictions described in the Supplement, pursuant to the Investment Advisory Agreement among the Master Fund Manager, the Master Fund and the Investment Advisor. The Investment Advisor, a wholly-owned subsidiary of SPARX Group Co., Ltd., was incorporated in Tokyo on 3 April 2006, and registered as an investment advisor under the Investment Advisory Act of 1986 of Japan.

### Investment Policy of the Master Fund

#### Master Fund's investment objective

The investment objective of the Master Fund is to provide long-term capital growth by identifying and acquiring undervalued Japanese equities by capitalising on the Investment Advisor's intensive "in-house" research expertise and extensive information network established through independent investment experience in Japan over 30 years since the inception of SPARX Group in 1989. The Master Fund seeks long-term capital appreciation.

The investment objective of the Master Fund is not to track or benchmark its performance against any index, however the TOPIX Total Return Index, a free-float adjusted market capitalisation-weighted index, is used as a reference for performance measurement purposes only and not used to determine the composition of the Master Fund. As outperforming the Reference Index is not part of the Master Fund's investment objective, the degree to which the Master Fund's holdings and weightings are similar to the Reference Index are coincidental. The Master Fund's investment strategy has no restrictions regarding the extent to which the Master Fund's holdings may deviate from the Reference Index.

#### Master Fund's investment strategy

To pursue this objective, the Master Fund will normally invest at least 80% of its assets in equity securities of Japanese companies, and in any event, will at all times invest at least two-thirds of its total assets directly in equity securities issued by companies which are domiciled or exercise the predominant part of their economic activity in Japan. The Master Fund may invest the rest of its assets in ancillary liquid assets such as money market instruments (including banker's acceptances, commercial paper and negotiable certificates of deposit) or cash deposits. The Master Fund may in the future and at all times subject to the quota for equity securities stipulated in this paragraph and subject to the relevant limits and restrictions imposed by the UCITS Regulations invest in J-REITs.

J-REIT is the common term for a real estate investment trust formed under Japanese Law which invests in Japanese real estate. J-REITs are co-mingled investment vehicles (whether company type or unit trust type) with real estate as the underlying assets. The Master Fund may invest in J-REIT's that are listed on the Tokyo Stock Exchange (there is a special "J-REIT" section of the Tokyo Stock Exchange). The risks of investing in J-REITs are principally the business risks related to value and profitability of the underlying real estate portfolio and the strength and capabilities of the management of the J-REIT. While the Master Fund only intends to invest in J-REITs which are closed-ended and listed on the Tokyo Stock Exchange, such investments will be subject to market related investment risks, such as liquidity and price volatility, both in the stock market and real estate markets. J-REITs do not

have any additional liquidity risk as compared to equities.

The Master Fund will consider a Japanese company to be a company organised under the laws of Japan for which the principal securities trading market is Japan or that has a majority of its assets or business in Japan. The Master Fund's equity investments may include common stocks, preferred stocks, warrants and other rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), and securities convertible into or exchangeable for common stocks which are listed or traded on certain global exchanges. The Master Fund invests in companies regardless of market capitalisation. Although the Master Fund will be considered a diversified portfolio the Master Fund may employ a relatively focused investment strategy and may hold securities of fewer issuers than other diversified funds.

### Principal investment strategies of the Master Fund

The Master Fund's portfolio is actively managed, and investment selection is research driven. The Investment Advisor will focus on individual stock selection using a "bottom up" research approach by identifying attractive companies for investment before looking at economic and industry trends. The Investment Advisor will seek to identify and arbitrage "value gaps" between a company's intrinsic value and its stock price by identifying a catalyst to narrow the value gap. The Master Fund will employ a direct research approach, visiting companies annually to conduct interviews with management and using its experience in investing in Japan and its knowledge of Japanese corporate culture. The Investment Advisor will screen potential investments using a fundamental approach, which includes evaluating various factors such as quality of earnings, management quality and market environment. As an actively managed Fund, portfolio holdings are not selected by reference to specific index or other "benchmark". The number of holdings held by the Master Fund will vary, but the Master Fund will at most times hold more than 15 holdings.

The Master Fund typically sells an investment when the reasons for buying it no longer apply, such as when the Investment Advisor determines that a company's prospects have changed or believes that a company's stock is fully valued by the market, or when the company begins to show deteriorating fundamentals. The Master Fund also may sell an investment if it becomes an overweighted portfolio position, as determined by SPARX Funds plc and/or the Investment Advisor.

The Master Fund will invest primarily in Securities denominated in Japanese yen.

The Master Fund may employ other investment techniques, such as other derivative transactions and lending its portfolio securities for efficient portfolio management purposes which are subject to the conditions and limits set out by the Central Bank of Ireland.

Where considered appropriate the Master Fund may utilise techniques and instruments such as futures, options, stock lending arrangements and forward currency contracts for efficient portfolio management and/or to protect against exchange risks with certain limits. Forward currency contracts may be used, but solely for hedging purposes.

## 2. How the Fund works

Details of how to make your initial investment are outlined in Section 8 'How to apply' of the PDS.

### Application cut-off times

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

- before 2:00pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for that Business Day; or
- on or after 2:00pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for the next Business Day.

### Application terms

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Foreign Account Tax Compliance Act ("FATCA"), applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees or the Administrator refuses or is unable to process your application to invest in the Fund, the Administrator will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

We will only start processing an application if:

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

### Additional applications

Unitholders can apply for additional units. There is no minimum additional investment amount and as such, the acceptance of additional applications is determined by the Responsible Entity from time to time. Additional applications can be made by post, email or fax.

If payment is made by way of electronic transfer, then you must complete and duly sign the Application Form and mail it to:

Apex Fund Services Pty Ltd

GPO Box 804

Melbourne VIC 3001

Or email it to: [registry@apexgroup.com](mailto:registry@apexgroup.com)

Or fax it to: +61 2 9475 1417

### Authorised signatories

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

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

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

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, claims and demands arising from instructions received from your authorised signatory; and
- you agree that our acting on any instructions received from your authorised signatory shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

### 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) of 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.

## Withdrawal cut-off times

Withdrawal requests may be lodged with the Responsible Entity on each Business Day. If we receive a withdrawal request:

- before 2:00pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day; or
- on or after 2:00pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next Business Day.

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

## Withdrawal terms

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

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

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

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

- Withdrawals will only be paid to the investor.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in the PDS.
- If we cannot satisfactorily identify you as the withdrawing investor, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

## Restrictions on withdrawing your investment

Constitution provides that Equity Trustees may suspend consideration of withdrawal requests, or defer its obligation to pay the Withdrawal Price in respect of a redemption request (for as long as the below circumstances subsist) it has accepted if it is not possible, or not in the best interests of Unitholders and former Unitholders who have not yet received the Withdrawal Price for their Units at the time the circumstances arise, for it to process redemption requests or make the payment (as applicable) due to one or more circumstances outside its control, (such as restricted or suspended trading or extreme price fluctuation or uncertainty in the market for an asset).

## If the Fund becomes illiquid

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers. In these circumstances, the Responsible Entity will make reasonable endeavours to pay the withdrawal as soon as is reasonably practicable without materially adversely impacting remaining Unitholders.

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

## 3. Benefits of investing in the Fund

There is no additional information in this section. Refer to Section 3 'Benefits of investing in the Fund' in the PDS.

## 4. Risks of managed investment schemes

Investment in the Fund carries certain risks. All investments have an inherent level of risk. Generally, there is a trade-off between higher expected returns for higher expected risk (usually represented by the variability of fund returns).

There is no guarantee that the Fund will achieve its investment objective generally or in relation to any particular unit class. Investment in Units or any other interest in the Fund is not a complete investment program, and you should fully understand and be capable of assuming the risks of investing. In deciding whether to invest in Units, you should consider that you may lose some or all of your investment, the value of your investment in the Fund will fluctuate with the value of the underlying investments, you could receive little or no income and there may be delays in repayment.

The Fund may be exposed to principal investment strategies that have inherent risks. The following is a list of risks to which the Fund may be subject because of its exposure to investment strategies and investment in various types of Securities or engagement in various practices.

The following additional risk factors do not purport to be a complete explanation of all of the risks associated with an investment in the Fund. Each investor has its own particular investment objectives, financial situation and particular needs. As a result, neither Equity Trustees nor SPARX, including their directors, associates nor any of their related bodies corporate or any other person make any representation as to the appropriateness of an investment in the Fund for any investor or otherwise guarantee the success of the Fund, the repayment of capital or any particular rate of capital or income return. Investors should consult their own professional advisers prior to investing in the Fund.

### Management risk

Management risk is the risk that a portfolio management strategy used by the Fund may fail to produce the intended result. The Fund is subject to management risk because of its exposure to the Master Fund, which is actively managed. In making its investment decisions, the Investment Advisor of the Master Fund will apply its investment techniques and risk analyses, but there is no guarantee that its techniques will produce the intended result. In some cases, investment techniques may be unavailable or the Investment Advisor may determine not to use them, possibly even under market conditions where their use could benefit the Master Fund.

### Market risk

Market risk is the risk that the market value of a Security, that the Fund is exposed to through its investment in the Master Fund, may move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition as well as overall market and economic conditions. This means that you may lose money on your investment due to unpredictable drops in a Security's value or periods of below-average performance in a given Security or in the Securities market as a whole.

## 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 of the Investment Manager and other service providers, including functions such as trading and valuation, could be reduced, delayed, suspended or otherwise disrupted.

## Valuation risk

Valuation risk is the risk that the Fund has valued its assets at a higher or lower price than the price at which they can be traded. Equity Trustees and the Administrator have entered into a valuation policy which provides for acceptable industry standard sources for security prices.

There can be no guarantee that prices obtained in line with the valuation policy are the most accurate at any given time or that such prices reflect the actual realisation value of an asset. It is possible and, in the event of significant market volatility, likely that purchases and sales of certain assets may be concluded at price levels higher or lower than the most recent price used to value the Fund's portfolio.

## Risks Associated with Securities Lending

The Master Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as the Master Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, the Master Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

Through its investment into the Master Fund, the Fund may be exposed to such transactions.

## Tax risk of the Master Fund

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Master Fund's ability to achieve its investment objective, (ii) the value of the Master Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of the PDS and this Reference Guide. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Master Fund will endure indefinitely.

If, as a result of the status of a Shareholder, the Master Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the Master Fund shall be entitled to deduct such amount from any payment(s) made to such Shareholder, and/or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares for the purposes of obtaining sufficient monies to discharge any such liability. The relevant Shareholder shall indemnify and keep the Master Fund indemnified against any loss arising to the Master Fund by reason of the Master Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Master Fund risk

As the Fund will substantially invest its assets into the Master Fund, the success of the Fund depends upon the Master Fund effectively managing its investments so that the investment objectives of the Fund can be achieved. Matters such as the Master Fund's investment manager's loss of key staff, or the failure of the Master Fund to perform as expected may negatively impact returns, risks and/or liquidity.

## Market Capitalisation Risk

The securities of small-to-medium-sized (by market capitalisation) companies known as 'small caps', or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Investment in securities traded on the Tokyo Stock Exchange Growth Market involves considerations that are not applicable when investing in established, large capitalisation companies, including reduced or less stringent listing standards for companies and markets, less disclosure requirements, illiquidity of securities and markets, higher brokerage commissions and fees, and increased market risk in general.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Japan Investment Risk

A Fund's performance will be influenced by political, social and economic factors affecting investments in Japanese companies. Special risks associated with investments in Japanese companies include exposure to currency fluctuations, less liquidity, lack of comprehensive company information, potential imposition of governmental laws and restrictions, and differing accounting, auditing, reporting and legal standards.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Class Risk

The Fund has different classes of units and the Responsible Entity may from time to time at its discretion issue additional class(es). There is a risk that investors of different classes, may be exposed to liabilities of another class within the Fund and they could lose some or all of their investment in the Fund. There is also a risk that in the event of an insolvency, the assets referable to a class could be made available to creditors of another class.

## Market Sector Risk

If the Master Fund's portfolio is overweight or underweight in certain companies, industries or market sectors, the Master Fund's performance may be more or less sensitive to developments affecting those companies, industries or sectors.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Issuer Risk

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Share Currency Designation Risk

A class of Shares of the Master Fund may be designated in a currency other than the base currency of the Master Fund (being Japanese Yen). Changes in the exchange rate between the base currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Operational Risks (Including Cybersecurity and Identity Theft)

An investment in the Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel and errors caused by service providers such as the Investment Manager, the Responsible Entity, the Administrator, the auditor or the Custodian. Whilst the Fund seek to minimise such events through controls and oversight, there may still be failures that could cause losses to the Fund.

The Investment Manager, the Responsible Entity, the Administrator, the auditor and the Custodian each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cybersecurity attacks or similar threats resulting in data security breaches, theft, a disruption in the Investment Manager's, the Responsible Entity's, Administrator's, the auditor's and/or Custodian's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information, as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Fund and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Fund.

Cybersecurity breaches may occur whereby an unauthorised party infiltrates and gains access to assets of the Fund, Unitholder data, or proprietary information. This may cause the Fund, the Investment Manager, the Responsible Entity, the Administrator, the Custodian or the auditor to suffer data corruption or lose operational functionality. The Fund may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cybersecurity breach could result in the loss or theft of Unitholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Fund, the Investment Manager, the Responsible Entity, the Administrator, the Custodian, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Unitholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the Fund and its Unitholders, could potentially lose all or a portion of their investment with that issuer.

In making investments, the Investment Advisor refers to information and data from third parties (which may include providers for research reports, screenings, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate, inconsistent or unavailable.

In addition, compliance with certain regulatory disclosure requirements including those relating to the SFDR and the Taxonomy Regulation is dependent on the availability of accurate, detailed and complete data on the investee companies and/ or issuers to which the Master Fund has exposure. At this time, such information is not necessarily readily available from public disclosures by investee companies and/or issuers. While data availability is improving and is expected to improve over time, the data currently available is limited and varies between investee companies and issuers.

Through its investment into the Master Fund, the Fund may be exposed to such risk.

## Risk Factors Not Exhaustive

The investment risks set out in section 4 of the PDS and in this Reference Guide do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

## 5. How we invest your money

### Authorised Investments

The Fund can only invest in assets permitted by the Constitution, which includes an investment into the Master Fund.

### Borrowing

The Fund will not borrow.

The Master Fund, in consultation with the Master Fund Manager, may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Master Fund.

### Base currency of the Fund and Master Fund

The base currency of the Fund is the Australian dollar. The Investment Manager does not manage foreign currency exposure, arising from investments in overseas markets, relative to the Australian dollar.

The base currency of the Master Fund is Japanese Yen. The Master Fund employs currency hedging. Where considered appropriate, the Master Fund may utilise techniques and instruments such as futures, options, stock lending arrangements and forward currency contracts for efficient portfolio management and/or to protect against exchange risk. Forward currency contracts may be used, but solely for hedging purposes.

### Changing the investment strategy

As at the date of this PDS, the Fund intends to invest substantially all of its assets in the Master Fund. The Responsible Entity may however change the investment strategy, including for example, subject to applicable law, by:

- gaining exposure to the assets of the Master Fund by investing directly in the same or similar assets in which the Master Fund invests;
- changing the asset allocation parameters; or
- investing into additional underlying fund(s) or into different underlying fund(s) to achieve the investment objective of the Fund.

If a change is to be made, Unitholders will be notified in accordance with the Corporations Act.

## Labour Standards, Environmental, Social and Ethical Factors ("ESG considerations")

The Master Fund's Investment Advisor takes into consideration ESG information which is integrated into the investment decision making process of the Master Fund.

You may have differing views, opinions and understanding of the meaning of the terminology used in this section, to the Master Fund's Investment Advisor and/or its third-party providers, and therefore your expectations of permitted investments may be different to the actual investments of a Master Fund.

The Master Fund has been categorised as falling within the meaning of Article 8 of the European Union's Sustainable Finance Disclosure Regulation ("SFDR"), as it promotes environmental and/or social characteristics and has a binding sustainability criteria.

Whilst the Master Fund does not have sustainability investment as its objective, the Master Fund will have a minimum proportion of 5% of its assets in sustainable investments. A sustainable investment is understood by the Investment Advisor to mean an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The Master Fund integrates ESG considerations throughout the investment decision making process and the ownership period to drive environmental



and social progress within its holdings. The ESG considerations used by the Master Fund are determined by reference to the United Nations Sustainable Development Goals (“SDGs”). The Master Fund does not focus on any of the SDGs in particular, as it believes that all SDGs are equally important and deeply interconnected. The SDGs can be found at the UN website at this link <https://sdgs.un.org/goals>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

To measure whether the Master Fund has at least 5% of its assets invested in sustainable investments, the Investment Advisor uses several indicators, including assessing the share of investments that the Investment Advisor considers:

- contributes to one or more United Nations SDGs,
- do not do significant harm to any environmental or social sustainable investment objective. To assess whether such harm has occurred, the Investment Advisor considers ESG risk ratings (which are outlined below), occurrence and severity of controversies (the Master Fund excludes investments that are exposed to severe controversies, as assessed by Sustainalytics’ Controversies Research), and principal adverse impact indicators. Principal adverse impacts are understood by Investment Advisor to mean the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters. In the case of any doubt as to whether harm may be caused, the investment will not qualify as a sustainable investment;
- that follow good governance practices. Good governance practices is considered by the Investment Advisor to include sound management structures, employee relations, remuneration of staff and tax compliance. Analysis of good governance practices begins already pre-investment and continues throughout the holding period of the investment. Elements that are taken in consideration include, but are not limited to, the track record, experience, diversity and composition (e.g. share of independent directors) of board and management, controversies (covering accounting and taxation, and corporate governance), employee relations, remuneration of staff, and tax compliance. The analysis is based on publicly available information and/or direct dialogue with the management teams of portfolio companies.

Additionally, the Master Fund negatively screens for investments that:

- conflict with the Investment Advisor’s exclusion policy. The exclusion policy excludes the following:
  - Product-based exclusions: The Master Fund excludes, from the scope of investment, businesses with a strong negative impact on society, and businesses whose main sales are derived from controversial business lines that are unsuitable for investment in terms of either stakeholder value or economic value, or both. The Investment Advisor excludes the following controversial businesses:
    - **Adult Entertainment:** The Master Fund excludes companies deriving 10% or more of their sales from adult-entertainment/pornography-related activities;
    - **Alcohol companies:** The Master Fund excludes companies that generate 10% or more of its sales from the production of alcohol. Retailers are also limited to the 10% threshold;
    - **Conventional Oil & Gas:** The Master Fund excludes companies that generate more than 10% of revenues from oil & gas sales. Oil & gas is defined as companies operating in the exploration, production, refining, transportation and/or storage of oil & gas assets;
    - **Gambling:** The Master Fund excludes companies that generate 10% or more of its sales from gambling and/or the production of gambling related components;

- **Power Production:** The Master Fund is allowed to invest in utilities that have: 1) power generation by coal < 10%; 2) power generation by oil and gas < 10%; 3) power generation by nuclear < 10%;
- **Thermal Coal and Coal Generation:** The Master Fund excludes mining companies that generate 10% or more of their revenues from thermal coal, and power producers that generate 10% or more of their revenues from thermal coal. Irrespective of this threshold, companies that are expanding their thermal coal and/or coal generation businesses are excluded;
- **Tobacco:** The Master Fund excludes companies where 10% or more of its sales are derived from the production of tobacco and related components. Retailers are also limited to the 10% threshold;
- **Unconventional Oil & Gas:** The Master Fund excludes oil & gas companies that are active in unconventional oil and gas extraction. Types of unconventional considered: 1) arctic drilling; 2) shale oil/gas; 3) tar sands. Thresholds: a. revenue share < 10%; b. no expansion plans;
- **Controversial Weapons:** The Master Fund excludes companies with activities related to the production of controversial weapons, defined as the direct or indirect involvement in the production, manufacture, and sale of weapons that can have a disproportionate and indiscriminate impact on civilian population including anti-personnel mines, cluster munition, depleted uranium and biological & chemical weapons; and
- **Military Contracting and Small Arms:** The Master Fund exclude companies that generate 10% or more of its sales from Military Contracting and/or the production of small arms. This is defined as the involvement in the production, research and development, mgmt./services / maintenance, integration or customization, testing and/or sales/trade of weapons of war that are the subject to arms export regulations.

In respect of the above screens, the type of revenue (whether gross or net revenue) will be determined by the Investment Advisor.

- Conduct-based exclusions: The Master Fund excludes, from the scope of investment, businesses that have been through any conduct-based issues in the past, and that have not been able to confirm that the issue has been completely resolved, is unlikely to recur, and will endeavor during the investment period to engage for improvement. Companies that may be excluded under this screen include companies that the Investment Advisor considers:
  - are critical of protecting human rights or complicit in human rights violations;
  - exclude the formation of labour unions and/or collective bargaining or practice forced labour, child labour, and/or discrimination in workplace/jobs;
  - are critical of prevention of environmental problems or hinder the dissemination of environmental technologies;
  - engage in extortion or corruption;
  - sacrifice biodiversity;
  - have a negative impact on water resources;
  - intentionally evade taxes; and
  - have an autocratic governance system;

- are exposed to unmanageable controversies, as assessed by Sustainalytics’ Controversies Research (Sustainalytics’ Controversies Research identifies companies exposed to unmanageable controversies as those involved in incidents and events that may pose a business or

reputation risk to a company due to the potential impact on stakeholders or the environment). In cases where a violation or breach has occurred, the Investment Advisor assesses how recently it occurred, the severity of the violation of the breach, and what actions were taken to remedy this feed into our assessment of current governance practices. Exposure to controversies is continuously monitored by the portfolio managers. Besides the effect of the controversy itself, as above, the Investment Advisor also consider the company's response to a controversial event. Where the company has used this as a learning experience to improve the robustness of its governance and controls, the Investment Advisor would view this in a positive light; and

- are exposed to unmanageable sustainability risks or cause principal adverse impacts considered unmanageable. Whether sustainability risks or principal adverse impacts are considered unmanageable is a discretionary decision made by the Master Fund. The Investment Advisor considers principal adverse impacts to mean the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Advisor in the following manner:

- Prior to acquiring investments on behalf of the Master Fund, the Investment Advisor uses ESG metrics and ESG risk ratings of data providers such as Sustainalytics and Trucost in order to screen the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. The ESG risk rating scores considers a company's sensitivity or vulnerability to ESG risks. Sustainalytics and Trucost use data from several third party sources, including its own research. ESG metrics and risk ratings by Sustainalytics identifies companies involved in incidents and events that may pose a business or reputation risk to a company due to the potential impact on stakeholders or the environment. Controversies are rated on a scale from 1-5, with 5 denoting controversies that have the most severe impact to stakeholders and the environment. This rating is accompanied by an in-depth qualitative assessment. Where data is not available, the Investment Advisor will apply a best efforts approach, for example by carrying out additional research, cooperating with other third-party data providers, or making reasonable assumptions and/or estimations.

This process incorporates applying both an exclusion policy whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Master Fund and positive screening whereby those investments which have a low sustainability risk rating as well as strong financial performance are included in the investment universe. The Investment Advisor also conducts fundamental analysis on each potential investment in order to allow it to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Advisor in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Advisor investing in an issuer which has a lower ESG rating where it believes that the relevant existing ESG risk rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

- During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer (where relevant) or selected Data Providers to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the Master Fund, the Investment Advisor will consider selling or reducing the Master Fund's exposure to the relevant investment, taking into account the best interests of the shareholders of the Master Fund.

In making investments, the Investment Advisor refers to information and data from third parties, including Sustainalytics and Trucost, (which may include providers for research reports, screenings, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate, inconsistent or unavailable.

## 6. Fees and costs

There is no additional information in this section. Refer to Section 6 'Fees and Costs' in the PDS.

## 7. How managed investment schemes are taxed

### Taxation

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

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

### General

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

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

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

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

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

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

**Cost base adjustments:** Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an



investor's units may be increased (or decreased). Details of cost base adjustments will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement ("AMMA").

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

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

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

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

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

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

## Controlled Foreign Company ("CFC") Provisions

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

## Taxation of Financial Arrangements ("TOFA")

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

## Taxation Reform

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

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

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or

enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

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

## Goods and Services Tax ("GST")

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

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

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

## Australian Taxation of Australian Resident Investors

### Distributions

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

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

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

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

### Foreign Income

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

forward to a future income year.

#### *Disposal of Units by Australian Resident Investors*

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

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

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

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

## Australian Taxation of Non-Resident Investors

### Tax on Income

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

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

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

#### *Disposal of Units by Non-Resident Investors*

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

## 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.

## 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.

## 8. How to apply

There is no additional information in this section. Refer to Section 8 ‘How to apply’ in the PDS.

## 9. Other information

### Unit pricing

The unit price of each class in the Fund is calculated by taking the total value of the Fund’s assets allocated to the relevant class at the relevant Valuation Date, adjusting for any accrued expenses and liabilities of that class and then dividing the net value by the total number of Units held by all Unitholders of the class on that day. The Fund’s assets are valued at the end of every Business Day.

Where there is no readily available market value for an asset, the Constitution for the Fund allows the value of the Fund’s assets to be determined on another basis provided it is independently verifiable. This may occur where the market value for an asset is unreliable or cannot be objectively ascertained at the relevant time. In these circumstances, the fair value of the assets will be determined in accordance with the Fund’s pricing policies and procedures which is an amount that a Unitholder might reasonably expect to receive upon its current sale in the ordinary course. An independent third party will be engaged to value assets where there is no readily available market value.

The fair value of an asset depends on a number of relevant factors including the nature of the asset, the initial cost and size of the holding of the asset, the price and trading of similar assets, market quotations from independent pricing sources, and referring the matter to a pricing committee formed to assess these factors.

A copy of the pricing policies and procedures is available from Equity Trustees by calling +61 3 8623 5000.

### Valuations

The assets of the Fund will be valued on each Business Day. The Fund’s other investments will be valued in accordance with generally accepted valuation principles and the Constitution.

## Constitution

The Constitution is the legal document under which the Fund is established. The Constitution and the general law set out the legal rules under which the Fund can operate. They define the obligations, duties and investment powers of Equity Trustees and the rights and liabilities of Unitholders. All Unitholders are entitled to the benefit of, and will be

bound by, the Constitution as if each Unitholder were a party to the Constitution.

The Constitution covers a number of matters including:

- the determination and payment of distributable income;
- the Responsible Entity's powers, including all the powers of a natural person who is the absolute and beneficial owner of the property of the Fund, and power to appoint delegates and agents;
- the Responsible Entity's indemnity for all liabilities incurred in the proper performance of its duties;
- the ability to create units of a different class;
- your ability to transfer Units;
- how Unitholder meetings are convened and held;
- the retirement of the Responsible Entity;
- the circumstances in which the Fund may be terminated; and
- how the Constitution may be amended.

A copy of the Constitution is available from Equity Trustees by calling +61 3 8623 5000.

## Unitholders' liability

The Constitution provides that unless there is a separate agreement with a Unitholder, the liability of a Unitholder is limited to the amount if any which remains unpaid in relation to the Unitholder's subscription for Units. Therefore, it is expected that Unitholders will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that a Unitholder's liability will be limited in all circumstances.

The Responsible Entity is permitted to deduct certain amounts owed to the Responsible Entity from amounts payable to Unitholders.

## Indemnification

### Responsible Entity indemnity

Equity Trustees, as Responsible Entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Equity Trustees may retain and pay out of any monies in its hands all sums necessary to effect such an indemnity.

### Investment Manager indemnity

Under the terms of the Investment Management Agreement, Equity Trustees, in its capacity as the Responsible Entity of the Fund, indemnifies and agrees to hold harmless the Investment Manager against any direct loss or liabilities reasonably incurred by the Investment Manager, and any direct costs, charges and expenses incurred by the Investment Manager by reason of the Investment Manager performing its duties and obligations under the Investment Management Agreement. The Investment Manager will not be entitled to be indemnified in relation to any such loss, liability, cost, charge or expense to the extent to which it is caused by the Investment Manager's negligence, fraud or dishonesty.

## Termination of the Fund

The Responsible Entity may resolve at any time to terminate, liquidate and wind up the Fund on at least 1-month notice (unless all Unitholders consent to a shorter notice) in accordance with the Constitution. The Fund may otherwise terminate if required by law or otherwise if the Responsible Entity calls a meeting of Unitholders to consider winding up the Fund and the Unitholders by special resolution approve the winding up of the Fund following legislation being enacted the result of which is that the Responsible Entity liable to pay any income tax or capital gains on the income of the Trust. A notice will be provided to Unitholders advising of the Fund's termination. Upon termination and after conversion of the Fund's assets into cash and payment of, or provision

for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unitholders according to the number of Units they hold in the Fund.

## Related party transactions

The Responsible Entity and its associates are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund. Any such transactions will be on arm's length commercial terms. The Responsible Entity and its associates are also permitted to hold units in any capacity.

## Consents

The following parties have given written consent (which has not been withdrawn as at the date of this document and the PD) to be named, in the form and context in which they are named, in this document at the PDS: Apex Fund Services Pty Ltd has given, and at the date of the PDS has not withdrawn, its written consent:

- SPARX Asia Investment Advisors Limited as Investment Manager of the Fund;
- Apex Fund Services Pty Ltd as Administrator of the Fund; and
- Apex Fund Services Pty Ltd as Custodian of the Fund.

## Disclosure relating to Administrator's service to the Fund

The Fund has entered into an administration agreement (the "Administration Agreement") with the Administrator. The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Fund, subject to the overall supervision of the Responsible Entity. Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the Responsible Entity, for matters pertaining to the day-to-day administration of the Fund, namely:

- calculating the NAV of the Fund and the NAV per unit class in accordance with the Fund's valuation policies and procedures;
- maintaining the Fund's financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Fund; and
- providing registrar and transfer agency services in connection with the issuance, transfer and redemption of Units.

The registrar and transfer agency services to be provided by the Administrator will include:

- verifying the identity of prospective investors in accordance with applicable anti-money laundering policies and procedures;
- maintaining the Fund's register of Unitholders;
- generally performing all actions related to the issuance, transfer and redemption of the Units;
- disseminating the NAV of the Units to Unitholders;
- furnishing annual financial statements, as well as Unitholder statements to Unitholders; and
- performing certain other administrative and clerical services in connection with the administration of the Fund as agreed between the Fund and the Administrator.

### Calculation of NAV

For the purposes of determining the NAV of the Fund and the NAV per unit of each class, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out in Equity Trustees' valuation policy. In calculating the NAV of the Fund and the NAV of each Unitholder's holdings in the Fund, the Administrator acting with reasonable skill and care shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data, opinion, advice or information furnished to it by the Fund's prime broker(s), market makers, valuation agents, independent third party pricing services, and/or industry standard pricing models in valuing/pricing any of the Fund's Securities or other assets (in each case, whether such data opinion, advice



or information was commissioned or otherwise obtained by the Administrator, the Fund, the Responsible Entity and/or Investment Manager). The Administrator acting with reasonable skill and care may, in its absolute discretion, rely upon the most recent valuation report issued by a valuation agent as of a date prior to the date that the NAV is being calculated and shall not be liable to the Fund in so doing. If the Responsible Entity and/or the Investment Manager are responsible for or otherwise involved in the pricing of any of the Fund's portfolio Securities or other assets, the Administrator is entitled to accept, use and rely without enquiry on such valuations/prices in determining the NAV of the Fund and shall not be liable to the Fund in so doing.

### Administrator fees

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement. The Administration Agreement is for a three (3) year term; provided, however, that the Administration Agreement is subject to termination by the Administrator or by the Fund upon one hundred and twenty (120) days' written notice, or immediately in certain other circumstances specified therein.

Under the Administration Agreement:

- the Fund has agreed to indemnify and hold harmless the Administrator against any direct loss, liability, actions, proceedings, claims, demands, costs or expenses in connection therewith which may be incurred by the Administrator or which may be made against the Administrator, except that the Administrator will not be indemnified against any loss or liability to which it would be subject by reason of its negligence, fraud, wilful default or breach of the required standard of care; and
- in the absence of negligence, fraud or wilful default in the performance of its duties under the Administration Agreement, the Administrator shall not be liable to the Fund on account of anything done, omitted or suffered by the Administrator in good faith pursuant to the Administration Agreement in the performance of the services of the Administrator thereunder.

The Administrator is not responsible for any trading decisions of the Fund (all of which will be made by the Investment Manager). The Administrator will not be responsible in any way for the Fund's selection or ongoing monitoring of its prime broker(s), custodian(s) and other counterparties ("Counterparties"). The decision to select any Counterparties in connection with this offering will be made solely by the Fund. The Administrator in no way acts as guarantor or offeror of the Units or any underlying investment, nor is it responsible for the actions of the Fund's Counterparties, Responsible Entity and/or Investment Manager.

The Administrator will not provide any investment advisory or management services to the Fund and therefore will not be in any way responsible for the Fund's performance. The Administrator is not an auditor and does not provide any tax, accounting or auditing advice or assistance, nor is it a fiduciary to the Fund, the Responsible Entity, the Investment Advisor or the Unitholders. The Administration Agreement does not create any contractual rights against or reliance on the Administrator by any person not a party thereto including, without limitation, any Unitholder or counterparty appointed by the Fund. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

## Reports

Investors will be provided with the following reports:

- application and withdrawal confirmation statements; transaction statements;
- monthly statements detailing the balance of their investment, Unitholder transactions and distributions received;
- quarterly and portfolio commentary and review;
- a copy of the Fund's annual report, generally within 3 months after the end of each Financial Year which includes a directors' report, auditor's report and financial report; and

- on an annual basis, a tax statement that will indicate the composition of your income from the Fund, including any capital gains, discount capital gains, foreign income and foreign tax credits.

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

## Privacy and your personal information

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

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

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

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

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

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

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

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

Full details of Equity Trustees' Privacy Policy are available at [www.eqt.com.au](http://www.eqt.com.au). You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to [privacy@eqt.com.au](mailto:privacy@eqt.com.au).

## Complaints and enquiries

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 within 1 Business Day or as soon as possible after 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.

## 10. Glossary

**Application Form** means the application form that accompanies the PDS.

**Administrator** means Apex Fund Services Pty Ltd ABN 86 149 408 702.

**AFSL** means Australian Financial Services Licence.

**AMIT** means Attribution Management Investment Trust.

**AMMA** means AMIT Member Annual Statement.

**Application Form** means the form used to apply for units in the Fund.

**APRA** means Australian Prudential Regulation Authority.

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

**ATO** means Australian Taxation Office.

**AUD** means Australia Dollars. **AUSTRAC** means Australian Transaction Reports and Analysis Centre.

**Business Day** means any normal business day, except any day that is a national or bank holiday in Dublin, Hong Kong, Sydney (NSW) and Tokyo.

**Central Bank** means the Central Bank of Ireland.

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Undertakings for Collective Investment in Transferable Securities) Regulations) 2019 or such other amending or replacement regulations issued from time to time by the Central Bank as the competent authority with responsibility for the authorisation and supervision of UCITS and related guidance issued by the Central Bank to UCITS and their service providers.

**Constitution** means the deed establishing the Fund dated 28 June 2022 (as amended from time to time).

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time.

**Custodian** means Apex Fund Services Pty Ltd ABN 86 149 408 702.

**Directors** means the directors of the SPARX Funds plc or any duly authorised committee or delegate thereof.

**Equity Trustees** means Equity Trustees Limited ABN 46 004 031 298; AFSL No. 240975.

**FATCA** means the Foreign Account Tax Compliance Act as amended from time to time.

**Financial Year** means the year beginning on 1 July and ending on 30 June.

**Fund** means the SPARX Japan Focus All Cap Australian Feeder Fund.

**IDPS** means Investor Directed Portfolio Services.

**Investment Advisor** means SPARX Asset Management Co., Ltd. as investment advisor and promoter to the Master Fund.

**Investment Advisory Agreement** means the agreement between the Investment Advisor, the Master Fund Manager and SPARX Funds plc dated

22 April 2020.

**Investment Manager** means SPARX as investment manager of the Fund.

**Ireland** means the Republic of Ireland.

**J-REIT** means Japan Real Estate Investment Trust.

**Master Fund** means the SPARX Japan Fund, a sub-fund of SPARX Funds plc established by the Directors from time to time with the prior approval of the Central Bank which represents part of the assets of SPARX Funds plc which are pooled separately and invested in accordance with the investment objective and policies applicable to the Master Fund.

**Master Fund Manager** means Fundrock Management Company (Ireland) Limited (formerly known as “Bridge Fund Management Limited”) as manager of the Master Fund.

**Net Asset Value** or **NAV** means the value of assets in the class of units in a fund, less the value of the liabilities in the class of units in a fund, excluding performance fee.

**Privacy Act** means the *Privacy Act 1988* (Cth) as amended from time to time.

**Recipient** means a Wholesale Client receiving the PDS in Australia for the purpose of evaluating a possible investment into the Fund.

**Reference Guide** means this reference guide, as amended from time to time.

**Reference Index** means the TOPIX Total Return Index which represents the total return of the TOPIX Index. TOPIX is a free-float adjusted market capitalisation-weighted index.

**Responsible Entity** means Equity Trustees.

**Security/Securities** include, but not restricted to, equities, debt structures, bonds, notes, royalties, income streams, hybrid securities, derivatives, and other-like securities and derivatives.

**SFDR** means the Sustainable Finance Disclosure Regulation (EU) 2019/2088, as may be.

**Shareholder** means a person who is registered as the holder of shares in the Master Fund.

**SPARX** means SPARX Asia Investment Advisors Limited.

**SPARX Funds plc** means an open-ended umbrella type Irish company with variable capital and segregated liability between sub-funds, incorporated with limited liability in Ireland.

**Taxonomy Regulation** means Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

**UCITS Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended consolidated or substituted from time to time) and any regulations or guidance issued by the Central Bank pursuant thereto for the time being in force.

**unit** means a unit in the Fund or in a unit class of the Fund, as the context requires.

**Unitholder** means a holder of units in the Fund.

**U.S. Person** has the meaning given in the U.S. Securities Act.

**U.S. Securities Act** means the U.S. Securities Act of 1933, as amended from time to time.

**Valuation Date** means the date as at which unit prices are determined.

**Wholesale Clients** has the same meaning as is given to that term in section 761G of the Corporations Act.