

**PRODUCT DISCLOSURE STATEMENT**  
for  
**MANAGED INVESTMENT ACCOUNT SERVICE**  
**ARSN 164 487 389**

**to enable investors to invest in accordance with the**  
**QUANTARA PAN PACIFIC EQUITIES INVESTMENT MANDATE**

**IMPORTANT NOTICE**

This Product Disclosure Statement (PDS) provides a summary of significant information about the Offer. You should read this PDS before making a decision to invest in the Quantara Pan Pacific Equities Investment Mandate which is a mandate of the Managed Investment Account Service ARSN 164 487 389 (MIAS). The information in this PDS is general only and does not take into account your personal financial situation or needs.

Before making an investment decision based on this PDS, you should obtain financial advice that is tailored to suit your personal circumstances.

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This PDS is dated 1 May 2022. This PDS has not been lodged with the Australian Securities and Investments Commission (ASIC) and is not required to be lodged in accordance with the *Corporations Act 2001*. The Responsible Entity will notify ASIC that this PDS is in use in accordance with section 1015D of the *Corporations Act 2001*.

This PDS for MIAS contains information about investing in Quantara Pan Pacific Equities Investment Mandate, to be implemented by the Investment Manager, Quantara Asset Management Pty Ltd. This PDS should be read in its entirety before any Application is made. Any person who provides any other person with access to the Application Form must at the same time and by the same means give that other person access to this PDS.



## 1. LETTER FROM THE MANAGING DIRECTOR

Dear Prospective Investor,

The Managed Investment Account Service (MIAS) is an account-based scheme divided into different Mandates. There is an Investment Manager who operates each Mandate and some managers have or intend to have more than one Mandate. There is a separate Product Disclosure Statement (PDS) for each Mandate. A Mandate refers to the investment strategy of the particular Investment Manager.

MIAS enables each Member to have their own Individual Account within their chosen Mandate. Their investment and return are not pooled with other Members of the Mandate or with any other Mandates.

This PDS is for investment into this mandate known as Quantara Pan Pacific Equities Investment Mandate, which is for traditional ASX, NYSE, and NASDAQ long only investments and Initial Public Offerings (IPOs).

Funds in Member's Individual Accounts will be invested in Australian securities listed on the ASX and securities listed on the New York Stock Exchange (NYSE) or NASDAQ exchange, and in shares in IPOs for proposed ASX listings, issued through an ASIC lodged prospectus or PDS, and in listed corporate capital raising actions, selected by the Investment Manager. These Assets are held by the custodian/broker Interactive Brokers on behalf of each Member in their own Individual Account.

Any person or entity may invest under this PDS, and the minimum investment is \$200,000.

In this PDS, you will find more details about MIAS, the Quantara Pan Pacific Equities Investment Mandate, and the benefits and risks of the investment. Refer to the benefits and risks that are set out in Section 8

Prospective Investors should read the whole of this PDS and then if you wish to invest, please complete and return the Application Form that accompanies this PDS. See section 16 for more information on how to invest.

Before investing under this PDS, you need to consider whether the investment is suitable in light of your investment objectives, financial position or particular needs. You should obtain advice about this from your financial adviser. If you have any doubt as to whether the investment is suitable for you, you should not invest.

Sincerely,

Robert Garton Smith  
Managing Director  
Primary Securities Ltd

## 2. SUMMARY

|   |   |
|---|---|
| This Mandate  | Quantara Pan Pacific Equities Investment Mandate being a mandate of Managed Investment Account Service ( <b>MIAS</b> ) ARSN 164 487 389 (a registered managed investment scheme).   |
| Investment Manager                                    | Quantara Asset Management Pty Ltd ACN 658 495 026   |
| Responsible Entity                                    | Primary Securities Ltd AFSL 224107  |
| Prime Broker and Custodian                            | Interactive Brokers Australia Pty Ltd   |
| Service   | Managed investment service by the Investment Manager through segregated Individual Accounts held by the Broker  |
| Base Currency (the currency in which you must invest) | Australian Dollars  |
| Investment Type                                       | Long only equities fund   |
| Significant Risks                                     | All investments involve a certain amount of risk. Information about some of the risks associated with this investment is set out in Section 8. The Quantara Pan Pacific Equities Investment Mandate is only suitable for investors who are seeking a higher level of return while accepting a medium level of risk. A Target Market Determination has been prepared for this investment. This is available for download from <a href="https://primarysecurities.com.au/current-offers/managed-investment-account-service/quantara-pan-pacific-equities-investment-mandate/">https://primarysecurities.com.au/current-offers/managed-investment-account-service/quantara-pan-pacific-equities-investment-mandate/</a>  |
| Investment Mandate                                    | <ol style="list-style-type: none"> <li>1. The investment objective is to provide a well-diversified investment exposure to the Australian and USA equity markets, through listed securities including ETF's. The objective aims to deliver an investment return greater than the RBA cash rate plus 2% over a rolling 5 year period.</li> <li>2. Long only ETF's will be used to gain a broader sector exposure for both investing and hedging purposes.</li> <li>3. The portfolio will have a maximum initial purchase exposure of 10% to a single stock, 40% to an index sector or up to 95% exposure to a market capitalisation index such as the Australian ASX 200, the New York Stock Exchange S&amp;P 500, the Dow Jones Industrial Average or the NASDAQ 100 index.</li> <li>4. A mixture of bottom up fundamental analysis and top down investment approach is taken by examining economic trends and profitability ratios. Macro-economic variables such as the global economy and individual country statistics such as national GDP, trade balances, currency movements, inflation, interest rates, and commodity price trends are used to determine where to invest and in what types of individual stocks or sectors. Technical Analysis is used to determine underlying price trends and to assist in stock entry or exit price management.</li> </ol> |

|                               |   |
|-------------------------------|---|
| Investor Eligibility          | Any investors   |
| Minimum Investment            | \$200,000   |
| Minimum Account Balance       | \$200,000   |
| Minimum Additional Investment | \$25,000  |
| Applications                  | Ongoing   |
| Minimum Withdrawals           | \$1,000   |
| Withdrawals                   | Monthly with ten (10) business days' notice   |
| Reports                       | Performance data for the fund can be obtained from the investment managers at admin@quantara.com.au   |
| Management Fee                | 1.1% incl. GST per annum.   |
| Performance Fee               | 22% incl. GST of excess returns above the RBA cash rate + 2% p.a. after all management fees, administration fees, and other fund costs. Paid Quarterly in arrears and subject to a High Water Mark.   |
| High Water Mark               | The Net Asset Value per unit in the Quantara Pan Pacific Equities Investment Mandate at the end of the most recent Calculation Period in respect of which a Performance Fee was paid to the Investment Manager. Where the Performance Fee is paid for the first time the Net Asset Value for the purposes of this definition means \$1.00.  |
| Benchmark                     | Benchmark unaware. It is the belief of the Investment Manager Benchmarks are a good way to get a feel for how well the market in general has performed but they are not necessarily a good model for how to build a portfolio of stocks. The Investment Manager will endeavour to focus in on companies as per the investment objective regardless of their weighting in the major stock market benchmarks. The portfolios are constructed based on the expected return characteristics of the individual companies as the Investment Manager seeks to achieve a positive relative return over a rolling 5 year period greater than RBA cash rate plus 2%. Whilst the fund is not an absolute returns fund, its goal is to meet and exceed a level of consistency that we believe is the RBA cash rate plus 2%. The Investment Manager will look to achieve this by using cash as part of the strategy in volatile or down trending markets, and therefore it may be that from time to time the Quantara Pan Pacific Equities Investment Mandate has a large cash position as it endeavours to be patient and focus in on good companies at what it believes are below intrinsic value or lack up trend momentum. |
| Responsible Entity Fees       | Paid by the Investment Manager  |
| Date of this PDS              | 1 May 2022  |

### **3. RESPONSIBLE ENTITY PROFILE**

Primary Securities Ltd ABN 96 089 812 635 holder of Australian Financial Services Licence No. 224107 (**Primary**) is a responsible entity operating both registered and unregistered schemes throughout Australia, including investment trusts, property trusts, forestry and other agricultural schemes.

Primary's focus is to look after the interests of investors using the qualities, capabilities and experience of its team. Three executive directors, professional and administrative employees plus lawyers, accountants, analysts, property professionals, and scheme-specific consultants have years of practical and professional experience, which helps to ensure the outcome for investors.

Further information regarding Primary is available at its website [www.primarysecurities.com.au](http://www.primarysecurities.com.au).

#### **Directors**

##### **Toni Smith**

##### **Chair**

Toni Smith is manager of the Willmott Forests 1995-1999 Project. Toni has worked in the agricultural sector for over 20 years, having lead several productive agricultural projects including forestry, broadacre cropping and livestock production.

Toni has extensive skills across rural land acquisition and financial management as well as practical farm and plantation management capabilities which ensure the performance of operations. Toni is passionate about regenerative agriculture, low-cost production, and food security solutions.

Toni has formal qualifications in accounting and safety and environmental management and sits on several other company boards related to agriculture. Toni and her husband also have their own property in Northern NSW, where they breed Angus cattle and Dorper sheep.

##### **Robert Garton Smith, LLB, B Com, GdipFinPlanning (Sec Inst), Ffin**

##### **Managing Director**

Robert Garton Smith is the Managing Director of Primary Securities Ltd and has been its responsible manager in relation to managed investments since inception.

Robert has degrees in law, commerce and financial planning and is a legal practitioner and a registered tax (financial) advisor.

Robert is a member of the Law Society of Western Australia and the Australian Compliance Institute and is a Fellow of the Financial Services Institute of Australia and the Association of Financial Advisors.

Robert has worked in the area of managed investments since 1981 and has prepared and overseen dozens of managed investment schemes relating to financial assets, derivatives, property, property developments, mortgages, film, forestry, and other investments.

##### **Natasha Olsen, LLB**

##### **Director**

Natasha Olsen has a Bachelor of Laws Degree from Notre Dame University and was admitted to practice law by the Supreme Court of Western Australia in November 2015. Natasha is a member of The Law Society of Western Australia.

With the exception of two years in London, Natasha has been employed by Primary since its formation and has considerable experience of all aspects of the business. Natasha is in charge of operations.

#### **4. INVESTMENT MANAGER PROFILE**

The Investment Manager is Quantara Asset Management Pty Ltd ACN 658 495 026.

##### **ZACHARIAS (Zac) ZACHARIA**

Zac Zacharia is founder and managing director of Centra Wealth Group, a boutique financial services business providing investment management and financial education services through which he manages his client's investments. The business operates its own Australian Financial Services Licence No. 422704, Zac is an authorised representative (No. 415171) and is also acting as responsible manager. Zac manages the investment committee for the Group.

Zac has a Bachelor of Commerce (Accounting) degree and holds formal financial planning qualifications but is mainly advising and managing clients on direct equities in individually managed portfolios.

Zac has been involved in the financial markets professionally since 2008, having worked as a Senior Client Adviser at Ord Minnett before establishing his own Australian Financial Service Licence.

Zac has also co-authored the popular investment book, Property vs Shares and is a regular contributor of articles and investment opinions to numerous publications including The Advertiser, and has appeared on Foxtel's Sky Business channel offering insights into investment.

##### **JASON DIXON**

Jason Dixon is an authorised representative (No. 293880) of Quantara Asset Management Pty Ltd. He has held various senior positions within the investment and healthcare industries. Jason has provided strategic investment advice and services on all aspects of Australian and International equities to retail clients and institutions.

With a specialty in Australian equities, Jason provides corporate advice and market strategies to the healthcare and biotech industries, which includes listed and unlisted public companies. He has a post-graduate Diploma in Applied Finance and Investment. Jason devotes his time to managing the Fund.

Jason's level of expertise and strength and therefore contribution to the Fund management team lies in the area of identifying investment opportunities in domestic markets through his experience in research and in particular identifying undervalued yet strong investment opportunities across all sectors. Jason will joint manage the portfolio of investments for the Fund and is part of the team that monitors the performance, ongoing expenses and reporting to the Responsible Entity.

#### **5. INVESTMENT COMMITTEE**

The Investment Committee plays a key role in assisting the investment management team with its responsibility to formulate and give effect to an investment strategy that has regard to the whole of the circumstances of the Quantara Pan Pacific Equities Investment Mandate.

The Investment Committee consists of:

- Zac Zacharia
- Jason Dixon

The objectives of the Investment Committee are:

- To exercise due care and skill in relation to formulating and giving effect to an investment strategy;
- To provide an additional forum for communication between the Responsible Entity on issues relating to investment management and performance;

- To ensure compliance with the investment mandate;
- To continually review the investment strategy;
- To make and execute investment decisions on behalf of investors;
- Investment related policy approvals and compliance;
- To liaise with Responsible Entity in relation to Administration, Audit and Custodial services; and
- Investment risk management.

The Investment Committee holds meetings on a monthly basis. Special meetings may be convened as required. The proceedings of all meetings will be minuted.

The Investment Committee is required upon request to report its findings, decisions and any recommendations to the Responsible Entity. The minutes, agenda and supporting papers of each Committee meeting are made available to all Directors of the Investment Manager.

## **6. PRIME BROKER AND CUSTODIAN: INTERACTIVE BROKERS**

The Broker, Custodian for the Quantara Pan Pacific Equities Investment Mandate will be Interactive Brokers Australia Pty Ltd (Interactive Brokers). The Responsible Entity or the Investment Manager will open an Individual Account on your behalf under the Master Account held by the Responsible Entity with Interactive Brokers. Any financial products purchased from money held in your Individual Account will also be held by Interactive Brokers on your behalf under the Master Account.

Interactive Brokers Australia Pty Ltd is a subsidiary of Interactive Brokers Group, Inc. which was founded by its Chairman Thomas Peterffy. Over the last 44 years, it has grown internally to become one of the premier securities firms with over \$10 billion in equity capital.

Interactive Brokers conducts its broker/dealer business on over 150 market destinations worldwide. In its broker dealer agency business, IBKR provides direct access (“on line”) trade execution and clearing services to institutional and professional traders for a wide variety of electronically traded products including stocks, options, futures, currencies, bonds, gold, crypto<sup>1</sup> and funds worldwide. Interactive Brokers Group and its affiliates execute over 2,499,000 trades per day.

Interactive Brokers is headquartered in Greenwich, Connecticut and has 2,500+ employees in its offices in the USA, Switzerland, Canada, Hong Kong, UK, Australia, Hungary, Russia, Japan, India, China, Singapore, Ireland and Estonia. IBKR is regulated by the SEC, FINRA, NYSE, FCA and other regulatory agencies around the world.

The Responsible Entity and the Investment Manager will arrange for your Application Money to be paid directly into the Broker’s bank account once your Application has been accepted.

## **7. INVESTMENT MANDATE**

### **Investment Objective**

The investment objective of the Quantara Pan Pacific Equities Investment Mandate is to provide a well-diversified investment exposure to the Australian and USA equity markets, through listed securities including ETF’s. The objective aims to deliver an investment return greater than the RBA cash rate plus 2% p.a. over a rolling 5 year period.

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<sup>1</sup> Cryptocurrency trade execution and custody are provided by Paxos Trust Company to eligible clients of Interactive Brokers LLC.



## **Investment Mandate and Strategy**

The Quantara Pan Pacific Equities Investment Mandate will invest in securities listed on the securities exchanges of Australia and the USA. The Investment Manager will look for long and short-term investment opportunities by investing in long only shares, Exchange Traded Funds (ETFs), Australian listed managed funds, listed investment companies (LICs) and Cash. In addition to the Australian securities market, the Quantara Pan Pacific Equities Investment Mandate aims to provide investors access to the securities markets of the USA (the NYSE exchange & the NASDAQ exchange).. Investments in different countries and markets can help diversify the portfolio. This should mean that a slowdown in one country will have a smaller impact on your overall portfolio. International investing lets the Investment Manager take advantage of potential for Equities Investment in the most exciting and Equities Investment orientated securities market in the USA.

The Investment Manager will use fundamental and/or technical analysis to endeavour to identify undervalued and overvalued securities with short, medium and long term prospects and utilise technical analysis as a tool to manage entry and exit strategies.

There are three dominant factors the Investment Manager will use to determine the investments decisions. The first is research directed. The Investment Manager will research and target fundamental valuations focussing on but not limited to the earning per share Equities Investment, price to earnings multiples, price to earnings Equities Investment multiples, operating cash flow yields per share, price to sales and balance sheet strength, especially debt and cash levels. Secondly the Investment Manager will look for Market driven trading opportunities. These may include initial public offerings, capital raising placements, corporate transactions like takeovers and spin-offs as well as trading market themes and societal trends. This may involve more active trading. The ideas will be generated from but not limited to company announcements, the financial media, broker research, company visits, broker relationships, in-house research and macro and micro economic views on specific sectors. Once the investments or idea is identified, it will go through the first process of fundamental analysis then complete the final factor which is Technical Analysis.

It is the Investment Managers belief that Technical Analysis trends can be overlaid with Fundamental Analysis, potentially producing better returns, entry and exit timings into the investments and trading ideas which have been identified. Technical Analysis tools which may be used, but not limited to, include price and volume analysis, short, medium and long-term trend analysis, ideally market trending up for long positions.

The Investment Manager may invest long only in exchange traded inverse ETF's for risk management (hedging) or investment purposes.

The portfolio will have a maximum initial purchase exposure of 10% to a single stock, 40% to an index sector or up to 95% exposure to a market index such as the Australian ASX 200 (XJO), the New York Stock Exchange S&P 500 (SPX), the Dow Jones Industrial Average (DJI) or the NASDAQ 100 Index (NDX).

The Investment Manager may also invest in opportunities that arise to take up shares in Initial Public Offerings (IPOs) for proposed ASX listings, issued through an ASIC lodged prospectus or PDS and in listed corporate capital raising actions (retail or institutional).

Note that the investment return objective is not intended to be a forecast. It is merely an indication of what the Quantara Pan Pacific Equities Investment Mandate aims to achieve over the medium to longer term on the assumption that equity markets remain relatively stable throughout the investment term. Macro and microeconomic market conditions, changes in legislation and fluctuations in economic sensitive instruments like interest rates may mean the Quantara Pan Pacific Equities Investment Mandate may not be successful in meeting this objective. Returns are not guaranteed.

Hedging by taking long only positions in inverse ETFs is a strategy whereby the Investment Manager may make an investment to reduce the risk of adverse price movements in an asset.

If the Investment Manager cannot find attractive investments or opportunities, the investment of the individual account in cash will build up. It is possible that from time to time the Quantara Pan Pacific Equities Investment Mandate will be invested solely in cash.

The Quantara Pan Pacific Equities Investment Mandate does not permit borrowing, short selling or Derivatives, though investment may be made in inverse ETFs that engage in short selling.

Any change in the Investment Strategy will be notified to investors with a 30 day notice period before implementation.

### **Asset Allocation**

The implementation of the investment strategy is a result of careful selection of assets within specified limits tabled below.

Between 0% and 100% of Assets attributable to account holders within this managed account services are invested in Australian listed securities, USA listed securities or Cash. Refer to the liquidity requirements in section 8 Liquidity Risks.

The equity investments are publicly traded on the ASX, NYSE and the NASDAQ stock exchanges. Compliance with the PDS in the Quantara Pan Pacific Equities Investment Mandate's is reported to the Responsible Entity on a regular basis.

The Quantara Pan Pacific Equities Investment Mandate's policy is to concentrate the portfolio where the Investment Manager believes they can maximise the returns derived for the level of risk to which the Quantara Pan Pacific Equities Investment Mandate is exposed.

| <b>Assets</b>     | <b>Min</b> | <b>Max</b> | <b>Target</b> |
|-------------------|------------|------------|---------------|
| <b>Securities</b> | 0%         | 100%       | 70-95%        |
| <b>Cash</b>       | 0%         | 100%       | 5-30%         |

### **Diversification Guidelines**

The aim of diversification is to enhance the Quantara Pan Pacific Equities Investment Mandate's performance in an attempt to minimise variation in investment returns across different market conditions. The Quantara Pan Pacific Equities Investment Mandate may have holdings across a diverse range of sectors but does not have a strict diversification policy.

Due to a market driven event, there may be times where the Quantara Pan Pacific Equities Investment Mandate may have a relatively high percentage of its portfolio invested in a limited number of assets, or in assets in a limited number of sectors or industries, which may cause the value of the investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio. The Quantara Pan Pacific Equities Investment Mandate may, at times, be made up entirely of cash.

## **8. BENEFITS AND RISKS OF INVESTING IN MANAGED INVESTMENT SCHEMES**

### **Benefits:**

- Exposure to a high quality and experienced primary and secondary market investment team
- Access to public company capital raisings creates potential access to investments for individual investors which are ordinarily the domain of the institutional market participants.
- The MIAS provides a convenient investment platform to access capital raising investment opportunities presented to the Quantara Pan Pacific Equities Investment Mandate in your own individual account.

### **Risks:**

#### **Covid-19 Risk**

While the COVID-19 pandemic continues, the investments of and operation of the Quantara Pan Pacific Equities Investment Mandate could be affected in numerous ways. For example, markets may be more volatile than usual, many companies are struggling to stay solvent and there is a risk of investing in such a company, and the management of the Quantara Pan Pacific Equities Investment Mandate could be affected by self-isolation or sickness.

#### **Equity Security Risk**

The value of particular shares may be affected by market sentiment and other factors that may impact the performance of the actual company over short or extended periods of time. Investing in shares of a company will expose an investor to many of the risks to which the individual company is itself exposed.

They include many factors, such as changes in management, technology, and a company's financial health, actions of competitors, regulators and market trends. Share markets tend to move in cycles, and the individual share price of a security may fluctuate.

Equities may also be affected by dilutive equity issuance or changes to dividend policy.

Such risk is considered by the Investment Manager through its investment process. Some investments will be affected by exchange rate fluctuations.

#### **Liquidity Risk**

Liquidity risk may also occur due to the absence of an established market or a shortage of buyers for an investment which can result in a loss if the holder of the investment needs to sell it within a particular timeframe.

Some securities may be typically less liquid than other securities or pose a higher risk of becoming illiquid during times of market stress. The less liquid the security, the more difficult it may be to sell the security when it is desirable to do so or to realise what the Investment Manager perceives to be fair value in the event of a sale.

The portfolio will have a maximum exposure at initial purchase of 10% to a single stock, 40% to an index sector or up to 90% exposure to a market capitalisation index such as the Australian ASX 200 (XJO), the New York Stock Exchange S&P 500 (SPX), the Dow Jones Industrial Average (DJI) or the NASDAQ 100 Index (NDX). The portfolio will be predominantly invested across the spectrum of small, medium and large market capitalization stocks which have market capitalization ranges of a couple of hundred million dollars to billions of dollars. The Investment Manager may have opportunities to invest in microcap stocks. The Investment Manager will not consider any investment in microcap stocks with a market capitalization of less than \$40 million.

## **Market Risk**

The Quantara Pan Pacific Equities Investment Mandate may experience investment losses due to factors that affect the overall performance of the financial markets. These events may include changes in macro-economic, regulatory, social, political conditions, weather events, and terrorism, along with changes in technology, the environment and market sentiment. Often assets from less developed regions or markets display higher levels of volatility of investment return than assets in mature markets.

Refer to section 7 for details on the asset mix.

## **Prime Broker Risk**

The Quantara Pan Pacific Equities Investment Mandate is, to a certain extent, reliant on external service providers such as Interactive Brokers in connection with its operation and investment activities. These services include prime brokerage and custody. There is a risk that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Quantara Pan Pacific Equities Investment Mandate may be required to seek an alternate supplier and, in the interim, investment activities may be affected.

Please refer to 'Section 6 Prime Broker and Custodian: Interactive Brokers' and 'Counterparty risk' for more information.

## **Service Provider Risk**

The Quantara Pan Pacific Equities Investment Mandate may be reliant on external service providers in connection with their operation, such as external data suppliers or order management system (OMS) providers. There is a risk with these arrangements that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Quantara Pan Pacific Equities Investment Mandate may be required to seek an alternative supplier and, in the interim, investment activities and other functions may be affected.

## **Currency Exposure Risk**

The Quantara Pan Pacific Equities Investment Mandate assets on occasion may be denominated in one or more overseas currencies, the Australian dollar value of the assets will increase or decrease as a result of exchange rate fluctuations. The Investment Manager does not intend to hedge the Quantara Pan Pacific Equities Investment Mandate's currency exposure. However, the Investment Manager may invest in ETF's which have an inbuilt currency hedge to the Australian dollar to reduce currency risk for ETF's whose underlying assets are based in a foreign currency.

## **Withdrawal Risk**

If a situation occurs where the assets the Quantara Pan Pacific Equities Investment Mandate invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally applicable timeframe of ten business days for meeting withdrawal requests may not be able to be met.

This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Quantara Pan Pacific Equities Investment Mandate may take significantly longer than the generally applicable timeframe.

The maximum timeframe in which the Responsible Entity has to meet a withdrawal request is set out in the constitution of MIAS.

## **Mandate/Scheme Risk**

Mandate/Scheme risk refers to specific risks associated with the Mandate/Scheme, such as termination, changes to fees and expenses and government policies. The investment manager or responsible entity may close the Mandate/Scheme to further investments if, for example, the investment manager or responsible entity consider it appropriate given the investment objective and investment strategy of the Mandate/Scheme. The Responsible Entity may also terminate the Mandate/Scheme by notice to Members.

Your investment in the Mandate/Scheme is governed by the terms of the Constitution and this PDS of the Mandate/Scheme (each as amended from time to time), the Corporations Act, and other laws. The value or tax treatment of an investment in the Mandate/Scheme or its underlying assets, or the effectiveness of the Mandate/Scheme trading or investment strategy may also be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods. Such changes could also make some investors consider the Mandate/Scheme to be a less attractive investment option than other investments, prompting greater than usual levels of withdrawals, which could have adverse effects on the Mandate/Scheme.

The Investment Manager aims to manage these risks by monitoring the Quantara Pan Pacific Equities Investment Mandate and by acting in Members best interests. In the event of winding up the Quantara Pan Pacific Equities Investment Mandate the Investment Manager will realise all the Mandate's assets, which will generally result in the crystallisation of tax positions (both income and capital) at that time.

## **Risk Management**

Core to successfully implementing the investment strategies is managing the risks specifically associated with those strategies. The Investment Manager recognises the importance of risk management systems in terms of identification of risks, prevention, audit and integration into business operations.

Strong and disciplined risk management is a key focus for the Investment Manager. The risk management process will include:

- Internal reporting of portfolio risk and liquidity measures;
- Monitoring of risk parameters with automatic breach notification by the Responsible Entity;
- Focusing on liquid securities where there is less pricing and liquidity risk;
- A regular review of the risk management processes by the Investment Committee.

While the risk of COVID-19 exists, the Investment Manager has implemented additional processes to ensure the continuation of the investment strategy and management of the Quantara Pan Pacific Equities Investment Mandate.

The Investment Manager has implemented the following steps:

- The ability for staff to work remotely;
- Remote monitoring of exposure risk occurs on a daily basis;
- All staff are upskilled on the roles of other staff to ensure that if one becomes incapacitated, the implementation of the investment strategy continues.

The Investment Manager believes these steps will ensure that the management of the Quantara Pan Pacific Equities Investment Mandate continues at the same level of detail as business as usual.

## 9. FEES AND OTHER COSTS

### Consumer Advisory Warning

#### Did You Know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

#### To Find Out More

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

#### Fees and Other Costs

This section shows fees and other costs that you may be charged and applies to the Quantara Pan Pacific Equities Investment Mandate offered through this PDS.

These fees and costs may be deducted from your money, from the returns on your investment or from the Mandate assets as a whole.

Taxes are set out under 'Section 11 Taxation' in this document.

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

The Responsible Entity and Administration Fees and all expenses associated with the running of the Quantara Pan Pacific Equities Investment Mandate (excluding any brokerage or transaction fees incurred for buying and selling investments) are paid by the Investment Manager.

#### Fees and Costs Summary

| Quantara Pan Pacific Equities Investment Mandate   |        |  |
|--|--------|--|
| Type of Fee or Cost  | Amount | How and When Paid  |
| <b>Member Activity Related Fees and Costs:</b>   |        |  |
| • fees for services or when your money moves in or out of the product  |        |  |
| <b>Establishment Fee:</b> <ul style="list-style-type: none"><li>the fee to open your investment</li></ul>                      | \$220  | Payable on submission of Application with Application Money. |
| <b>Contribution Fee:</b> <ul style="list-style-type: none"><li>the fee on each amount contributed to your investment</li></ul> | Nil    | Not applicable   |
| <b>Withdrawal Fee:</b> <ul style="list-style-type: none"><li>the fee on each amount you take out of your investment</li></ul>  | Nil    | Not applicable   |
| <b>Termination Fee:</b> <ul style="list-style-type: none"><li>the fee to close your investment</li></ul>                       | Nil    | Not applicable   |
| <b>Switching Fee:</b> <ul style="list-style-type: none"><li>the fee for changing investment options</li></ul>                  | Nil    | Not applicable   |

| Type of Fee or Cost  | Amount  | How and When Paid  |
|--|---|--|
| <b>Ongoing Annual Fees and Costs</b>   |   |  |
| <b>Management Fees and Costs<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>the fees and costs for managing your investment</li> </ul>                            | 1.1% per annum (incl. GST) of the total account value, calculated daily, based on 252 business days per annum.  | Monthly in arrears, non-refundable and deducted from each Individual Account.              |
|  | Responsible Entity Fee of: <ul style="list-style-type: none"> <li>(a) Until the FUM reaches \$30,000,000, whichever is the greater of \$26,400 or 0.33% of FUM per annum (incl. GST)</li> <li>(b) When the FUM reaches \$30,000,001, whichever is the lesser of \$99,000 plus 0.005% of FUM over \$30,000,000 and \$137,500 (incl. GST).</li> </ul> | Payable monthly by the Investment Manager.   |
|  | Administration Fee of:<br>\$3,300 (incl. GST) per annum   | Payable monthly by the Investment Manager.   |
|  | Professional Indemnity Insurance fee of whichever is the greater of: <ul style="list-style-type: none"> <li>(a) \$1,650 per \$1,000,000 FUM per annum (incl. GST)</li> <li>(b) \$3,960 per annum (incl. GST).</li> </ul>  | Payable monthly by the Investment Manager.   |
|  | Financial statements preparation fee including audit fees of up to \$3,300 per annum (incl. GST).   | Payable by the Investment Manager on completion and lodgement of the financial statements. |
| <b>Performance Fees<sup>2</sup>:</b> <ul style="list-style-type: none"> <li>amounts deducted from your investment in relation to the performance of the product</li> </ul> | 22% (incl. GST) of excess returns above the RBA Cash Rate + 2% p.a. after all management fees, administration fees, and other fund costs. Paid Quarterly in arrears subject to the High Water Mark.   | Quarterly and deducted from each Individual Account.                                       |
| <b>Brokerage or Transaction Fees<sup>3</sup>:</b> <ul style="list-style-type: none"> <li>the costs incurred when buying or selling assets</li> </ul>                       | As incurred in the normal trading of Quantara Pan Pacific Equities Investment Mandate.  | Paid from each Individual Account as incurred in normal trading.                           |

## REQUIRED EXAMPLE OF ANNUAL FEES AND COSTS

| EXAMPLE – QUANTARA PAN PACIFIC EQUITIES INVESTMENT MANDATE                           |            | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR   |
|--|------------|--|
| Contribution on Fees   | Nil        | For every additional \$5,000 you put in, you will be charged \$0   |
| <b>PLUS</b> Management Fees and Costs  | \$550      | <b>AND</b> , for every \$50,000 you have in the Quantara Pan Pacific Equities Investment Mandate you will be charged \$550 each year   |
| <b>PLUS</b> Performance Fees   | \$0 -\$459 | <b>AND</b> , you will be charged between \$0 and \$459 in performance fees each year*  |
| <b>PLUS</b> Brokerage and Transaction Fees   | \$44       | <b>AND</b> , you will be charged \$44 in transaction costs**.  |
| <b>EQUALS Cost of investment in Quantara Pan Pacific Equities Investment Mandate</b> |            | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from:<br><b>\$594 to \$1,053</b><br><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b> |

\* The Performance Fee estimated above is a best estimate only. It is predictive in character, may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Performance Fee example is not a guarantee or an indication that you will receive a similar return and therefore pay a similar Performance Fee.

The actual amount payable would also depend on the timing of the returns over the year, as the Performance Fee is calculated on a quarterly basis, being 30 September, 31 December, 31 March and 30 June.

The assumptions used above are considered reasonable for the following 12 months. Refer section 8 for risks that performance will be less than the targeted return.

\*\* This is an estimate of brokerage fees based on fees of 0.088% (incl. GST) per annum. Actual brokerage charged will be dependent on the frequency and value of trades placed.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### <sup>1</sup>Management Fees and Costs

The Investment Manager is entitled to a fee of 1.10% per annum (inclusive of GST) of the total account value, calculated daily based on 252 business days per annum, charged monthly in arrears and non-refundable.

The Investment Manager will pay to the Responsible Entity:

- (a) an establishment fee of \$2,750 incl. GST for establishment of the Quantara Pan Pacific Equities Investment Mandate;
- (b) a monthly responsible entity fee:
  - (i) until the FUM reaches \$30,000,000 a monthly fee of whichever is the greater of \$2,200 incl. GST or 1/12<sup>th</sup> of 0.33% incl. GST of FUM;
  - (ii) when FUM reaches \$30,000,000 then a monthly fee of \$8,250 incl. GST plus 1/12<sup>th</sup> of 0.055% incl. GST of FUM over \$30,000,000 to a maximum fee of \$11,458.70 incl. GST.
- (c) an administration services fee of \$275 (incl. GST) per month;



- (d) an application processing fee of \$175 incl. GST per Application for carrying out the application processing services;
- (e) a monthly professional indemnity insurance fee of whichever is the greater of:
  - (i) \$330 incl. GST; or
  - (ii) \$137.50 incl. GST per \$1m FUM
- (f) a financial statement fee of up to \$3,300 incl. GST per annum,
- (g) any other fees or costs or reimbursement in accordance with the MIAS Constitution.

The professional indemnity insurance fee is an allocation of the premium paid by the Responsible Entity and is subject to change in line with changes in the premium.

Until Account Opening, the Responsible Entity is entitled to any interest earned on the Application Money prior to Account Opening (because the cost of calculating and accounting for interest for small amounts does not justify calculation).

If the Responsible Entity is required to pay any taxes in relation to any Individual Account, the Responsible Entity may be indemnified for those taxes by the Member from the Individual Account.

Each Member who wishes to copy any document of the Responsible Entity must pay the fee as prescribed under Schedule 4 of the Corporations Act.

### **<sup>2</sup>Performance Fee**

The Investment Manager is entitled to a Performance Fee of 22% incl. GST of the Adjusted Value of the Individual Account in each Month, to the extent that the Adjusted Value surpasses the higher of the value that would result had the Hurdle Rate been applied to the previous month's Adjusted Value and the High Water Mark. The Performance Fee is calculated and accrued monthly and paid quarterly.

### **<sup>3</sup>Prime Brokerage Costs**

Prime brokerage costs (e.g. borrowing costs, short selling costs etc.) are not included in the management costs. These costs are borne by Members in the Quantara Pan Pacific Equities Investment Mandate as a transaction cost.

### **Can Fees Change?**

The following fees may change in line with the MIAS Constitution with 30 days' notice given to Members in the Quantara Pan Pacific Equities Investment Mandate.

### **Differential Fees**

On behalf of the Responsible Entity, the Investment Manager may from time to time, in its absolute discretion, negotiate a waiver, reduction or rebate of its fees or of the Performance Fees with the operator of a Platform or an investor that is a Wholesale Client in accordance with the ASIC Corporations (Registered Schemes – Differential Fees) Instrument 2017/40 or as otherwise permitted. Such negotiations are undertaken on a case-by-case basis and only for Platforms or Wholesale Clients who invest significant amounts of money. On behalf of the Responsible Entity, the Investment Manager will ensure that any such differential fee arrangement does not adversely affect the fees paid by any other investor.

## 10. WITHDRAWALS

At the end of every month, Members may redeem their investment if they wish to do so, subject to submitting a Redemption Form to the Investment Manager at least ten business days prior to the end of the month. The minimum redemption amount is \$1,000.

Upon receipt of a valid Redemption Form, the Investment Manager will liquidate any or all Open Positions in your Individual Account.

The Responsible Entity and the Investment Manager reasonably expect that given the nature of the Assets held (being exchange-traded), the Investment Manager will be able to realise at least 80% of the Assets in your Individual Account within a 10 day period at the value ascribed to those Assets in calculating the Value of your Individual Account.

Nevertheless, the Responsible Entity reserves the right to delay withdrawals if your Individual Account becomes illiquid.

Members may choose to send Redemption Forms by post or email, however, if sent by post they bear the risk of such requests not being received. The Responsible Entity and the Investment Manager accepts no responsibility or liability for any loss caused as a result of non-receipt or late receipt of any mail or for any loss caused in respect of any action taken as a consequence of such instruction believed in good faith to have originated from properly authorised persons.

## 11. TAXATION

### Tax Features

Investing and dealing with investments often has tax and social security implications which can be complex, and which are invariably particular to your circumstances. The tax information set out below is a broad overview of the possible Australian income tax consequences for Australian residents who invest in long term investments on capital account. That is, who are not share traders. The taxation consequences of investing differ between Members, and it is important that you seek your own professional advice before you make investment decisions.

The tax information is current as at the date of this PDS. The levels and basis of taxation may change in the future.

**Before investing in the Mandate, investors should seek their own independent tax advice in relation to the taxation implications which may arise from investing in the Mandate.**

### Taxation of the Managed Investment Account Service (MIAS)

MIAS is not taxed itself since all investments are beneficially owned by Members directly in their Individual Accounts. You have a vested and indefeasible interest in the Assets held in your Individual Account.

All net income and gains (or losses) on Assets in your Individual Account accrue directly to you.

### Tax on Income

Depending on the types of investments made, your Individual Account can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income. Generally, such income is taxable.

### Tax on Capital Gains

The disposal of investments in your Individual Account may result in a capital gain or loss under the capital gains tax provisions of the *Income Tax Assessment Act 1997*. These disposals may be triggered by the

investment decisions of the Investment Manager, by your withdrawals or by rebalancing of your Individual Account.

### **Providing Your Tax File Number**

The Application that forms part of this Product Disclosure Statement includes provision to quote your Tax File Number (TFN), Australian Business Number (ABN) or TFN exemption. As outlined there, you may choose not to do so, however, if you do not quote your TFN, ABN or exemption we are obliged to deduct tax at the highest marginal rate plus any relevant Government levies (including the Medicare Levy) from any income received on your behalf.

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

GST will be charged on or incorporated in various expenses paid by you, including the fees charged for managing and administering your Individual Account.

### **Tax Reporting**

Various reports are available to assist you in determining the tax status of your Individual Account. These reports will be generated and provided by the Investment Manager. Downloads are available for many accounting packages to assist you in the preparation of your tax return.

Tax reporting available online includes an estimate of the available tax credits in relation to your Individual Account.

## **12. RESPONSIBLE ENTITY REPORTING REQUIREMENTS**

### **Enhanced Disclosure**

If there are more than 100 Investors in any of the mandates of MIAS, the Individual Accounts will be enhanced disclosure securities within Section 111AD of the Corporations Act, and the Responsible Entity is subject to regular reporting and disclosure obligations. Documents lodged pursuant to these requirements may be obtained from, or inspected at, any office of ASIC.

Further, the Responsible Entity will provide a copy of the most recent annual financial report of MIAS lodged with ASIC, any half-year financial report of MIAS lodged with ASIC after the lodgement of that annual financial report and before the date of this PDS, and any continuous disclosure notices given in relation to MIAS after lodgement of that annual financial report and before the date of lodgement of the PDS free of charge as soon as practicable, and in any event within 5 days, after receiving the person's request, to any person who asks for it during the currency of the PDS.

### **The Responsible Entity's Legal Relationship with You**

Primary Securities Ltd is the responsible entity of MIAS and holds an Australian Financial Services Licence No. 224107, which authorises it to operate MIAS.

Primary Securities Ltd can terminate your Individual Account on 30 days' notice to you.

## **13. DETAILS OF THE MATERIAL AGREEMENTS**

### **Constitution**

On your Application to become a Member of the Quantara Pan Pacific Equities Investment Mandate being accepted by the Responsible Entity by your Individual Account being opened on your behalf with Interactive Brokers, you will become a party to the Constitution of MIAS.

A summary of the Constitution is set out below. Relevant definitions appear in the Glossary of Terms in Section 18.

Under the Constitution, a Member has the beneficial interest in the Assets held in that investor's Individual Account. The Assets are held in the name of the Prime Broker.

The main provisions which relate to investors rights under the Constitution include:

- your entitlement to the assets and cash credited to your Individual Account (referred to as Member's Account in the Constitution);
- your right to withdraw;
- your entitlements upon withdrawal or winding up; and
- your rights to attend and vote at meetings.

There are also provisions governing the Responsible Entity's powers and duties. These provisions include:

- the circumstances in which MIAS can be terminated, including the termination date which is 80 years less one day after MIAS is established (17 June 2003) unless terminated earlier. Subject to the Corporations Act the Responsible Entity can terminate MIAS by giving the 3 months' notice to Members as required by the Constitution. If termination occurs, you will receive the investments in your Individual Account (or their cash equivalent) less any expenses attributable to your Individual Account and your *pro-rata* share of MIAS expenses;
- The Responsible Entities right to be paid by, or receive a benefit from, an incoming responsible entity, and not be required to account to investors for such payment or benefit;
- the right to refuse to accept Applications to participate in a particular Mandate of MIAS;
- the right to determine minimum Application, withdrawal and holding amounts and powers in support of these minimums;
- the ability to terminate your participation in a particular Mandate of MIAS at any time by giving you 30 days' written notice or if you breach any terms and conditions of the MIAS Constitution or your Individual Account;
- the right to deduct amounts you owe from your Individual Account;
- your right to give instructions. It is important to understand that MIAS and any Mandate is not an investor directed portfolio service and, while we will generally seek to comply with your investment instructions, the Responsible Entity maintains the ultimate discretion as to what investments are made on your behalf by the Investment Manager. This means that investment instructions given by you may not be actioned in some circumstances; and
- the broad powers including to act on properly authorised instructions, invest, and generally manage MIAS, each Mandate and each Individual Account.

Powers to credit your Individual Account with:

- all moneys you pay into the Special Trust Account;
- all other moneys and assets that we receive from you or on your behalf in relation to your Individual Account;
- any investments acquired on your behalf in relation to your Individual Account; and
- Such other amounts and assets that we determine to be appropriate to credit to the Individual.

Powers to debit your account with:

- all moneys paid out to you or your Authorised Representative;
- any moneys required to settle an investment transaction for you;
- any moneys required for the payment of fees, charges, expenses and taxes associated with your Individual Account or instructions;
- any assets disposed of on your behalf; and
- such other amounts as we determine to be appropriate to debit to the Individual Account

The Constitution provides that the responsible entity is indemnified for all expenses and liabilities incurred in relation to your Individual Account in the proper performance of duties under the Constitution. All liabilities, which in the Responsible Entity's opinion are attributable to you or your Individual Account, are to be satisfied:

- from your Individual Account; and/or
- from you by invoice.

If you have more than one Individual Account in MIAS (i.e. investment under multiple mandates) and the amounts in one Individual Account are insufficient to satisfy the liabilities relating to that Individual Account, the Responsible Entity has the right to recover the amounts outstanding from your other Individual Account.

The Constitution also deals with liabilities in relation to MIAS and each mandate, for example, subject to the Corporations Act:

- the Responsible Entity is not liable to investors for any loss provided the Responsible Entity did not act with gross negligence or believed to be acting in good faith in accordance with the law and the Constitution; and
- our directors and officers are not liable to a Member or any other person in connection with the office of Responsible Entity, or director or officer of the Responsible Entity.

### **Compliance Plan**

A Compliance Plan for MIAS ("the Compliance Plan") has been lodged with ASIC. The Compliance Plan sets out the measures the Responsible Entity take to ensure the Quantara Pan Pacific Equities Investment Mandate will comply with the Corporations Act and the Constitution.

To oversee compliance with the Compliance Plan, the Responsible Entity has established a compliance committee. The Compliance Committee is required to report breaches of the Constitution, the Compliance Plan and the Corporations Act to the directors of the Responsible Entity and in some circumstances to ASIC.

The Compliance Plan may be altered from time to time at the discretion of the Responsible Entity.

### **Responsible Entity Services Agreement**

The Responsible Entity and the Investment Manager have entered into a Responsible Entity Services Agreement dated 24 April 2020 in which the Responsible Entity agrees to appoint the Investment Manager the investment manager with respect to the Quantara Pan Pacific Equities Investment Mandate and to issue this PDS.

Under the agreement, the Investment Manager must indemnify the Responsible Entity against any loss incurred by the Responsible Entity arising from any claim against the Responsible Entity in relation to the

Quantara Pan Pacific Equities Investment Mandate except where caused by the Responsible Entity's wilful, gross negligence, fraudulent, reckless or unlawful acts or omissions.

### **Investment Management Agreement**

The Responsible Entity and the Investment Manager have entered into an Investment Management Agreement dated 26 June 2020 whereby the Investment Manager may manage the investments in the Quantara Pan Pacific Equities Investment Mandate in accordance with the investment mandate set out in this PDS.

The services of the Investment Manager are reviewed annually and may be terminated with immediate effect upon:

- (a) an Insolvency Event in relation to the Investment Manager; or
- (b) making Trade Executions which do not comply with the Investment Mandate; or
- (c) failing to remedy a breach of the Investment Management Agreement within 10 days of notice thereof being provided by the Responsible Entity.

### **Inspection of Documents**

The Constitution and Compliance Plan can be inspected at the Responsible Entity's registered office during normal business hours.

## **14. DISPUTE RESOLUTION AND COMPLAINTS**

### **Enquiries and Complaints**

If you have a query or complaint, please contact your financial adviser who may be able to deal with it in the first instance on your behalf. The Responsible Entity will deal with any Complaint in accordance with s912A(2) of the Corporations Act.

The Responsible Entity has appointed Ms Anna Catelli as its Complaints Officer.

If you have a Complaint, please contact the Complaints Officer:

Phone: +61 8 9430 5262

Email: [complaints@primarysecurities.com.au](mailto:complaints@primarysecurities.com.au)

Post: PO BOX 732, Fremantle WA 6959

In Person: 3 Shuffrey Street, Fremantle WA 6160

A copy of the Complaints handling procedure is available on request free of charge. A summary is available on the Responsible Entity's website: [www.primarysecurities.com.au/about-us/about-primary/complaints-procedure/](http://www.primarysecurities.com.au/about-us/about-primary/complaints-procedure/)

If after contacting the Responsible Entity regarding your Complaint your Complaint is not resolved to your satisfaction then you may access the external dispute resolution service known as the Australian Financial Complaints Authority (AFCA) which the Responsible Entity is a member.

AFCA may be contacted:

- by phone on 1300 931 678 (or whichever number is for the time being applicable);
- by email to [info@afca.org.au](mailto:info@afca.org.au) (or whichever email address is for the time being applicable);
- by writing to GPO Box 3, Melbourne, VIC 3001 (or whichever address is for the time being applicable).

ASIC has a Freecall Infoline 1300 300 630 (or such other number as is being used for the time being) which the Complainant may use to make a Complaint and obtain information.

## **15. ADDITIONAL INFORMATION**

### **Custody**

Interactive Brokers as Broker and Custodian will hold the assets in your Individual Account. Interactive Brokers is not appointed by and is not an associate of the Responsible Entity or the Investment Manager and in any case, must satisfy applicable legal and regulatory requirements.

### **No Assurance of Investment Performance or Suitability**

Investment in financial products involves risk. Past performance of financial products or indices is no assurance of their future performance. The performance of financial products (including hedging), portfolios and strategies, and the return of capital are not guaranteed or assured by The Responsible Entity or the Investment Manager or any other related entity or any of their respective directors or officers and employees. An investment in a financial product may have the potential for capital growth and income but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor.

The information in this PDS is produced without any consideration of the investment objectives, financial situation or particular needs of any person who may read it. Potential investors should obtain their own independent financial, legal and tax advice on investing in the Quantara Pan Pacific Equities Investment Mandate or any particular financial product, portfolio or strategy of MIAS.

### **Anti-Money Laundering**

In order to comply with current or future regulations aimed at the prevention of money laundering and counter-terrorism financing, including but not limited to the laws and regulations of Australia in force from time to time (AML/CTF law), appropriate detailed identification and verification about an Applicant will be required, which may include identification of underlying beneficial owner(s). The Responsible Entity may delay or refuse to accept an application (and return any funds received with the application without interest) of a prospective Applicant who delays or fails to produce any information the Responsible Entity request for verification purposes or if the Responsible Entity is concerned that the application may breach any obligation of, or cause us to commit or participate in an offence under the AML/CTF law, and the Responsible Entity will incur no liability to you if they do so.

Applications will not be accepted or processed until all required information has been received to the Responsible Entity's satisfaction (including any additional information that may be requested) and the Responsible Entity is satisfied all client identification procedures have been completed, and any other obligations under the AML/CTF law have been complied with. The Responsible Entity may also require you to provide additional information and identification documents to those listed in the Application Form.

By applying to open an Individual Account, you warrant that:

- (a) you are not aware and have no reason to suspect that:
  - the monies used to fund your investment have not been or will not be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement ('illegal activity'); or
  - the proceeds of your investment will be used to finance any illegal activities.
- (b) You, your agent, or your nominated Authorised Representative, will provide the Responsible Entity with all additional information and assistance that may be requested in order to comply with their obligations under any AML/CTF law.
- (c) You are not a 'politically exposed' person or organisation for the purposes of any AML/CTF law.

## **Privacy**

The information requested on the Application Form is used by the Responsible Entity for the purposes of processing your Application and, if your Application is accepted, establishing your Individual Account and to administer your investment including reporting to you. The Responsible Entity or the Investment Manager may be unable to process your Application or operate your Individual Account without this information.

You agree, by submitting your Application Form, that the Responsible Entity and the Investment Manager may disclose the information to any independent share registry, to any agents, contractors or service providers including banks and professional advisers.

The Corporations Act requires the Responsible Entity to include information about you (including your name, address and details of the Units you hold) in the Register. The information contained in the Register must remain there even if you cease to be a member.

The Responsible Entity may use your contact details to let you know of future offers of the Responsible Entity or the Investment Manager, but if you do not want to receive these, please contact the Responsible Entity on (08) 9430 5262 or by email to [registry@primarysecurities.com.au](mailto:registry@primarysecurities.com.au).

If you do not provide the information requested in the Application Form, your Application may not be processed. You have a right to seek access to the information held about you, and (in writing) to ask the Responsible Entity or the Investment Manager to correct any information which is held about you and which you believe is inaccurate, incorrect or out of date.

## **Labour, Environmental, Social and Ethical Standards**

The Responsible Entity does not take into account any labour, environmental or ethical standards when investing in the Quantara Pan Pacific Equities Investment Mandate.

## **No Overall Minimum Subscription**

There is no overall minimum subscription with respect to Quantara Pan Pacific Equities Investment Mandate. This is different to the minimum subscription of \$200,000, which is required for each Individual Account.

## **Consent**

The Investment Manager has given, and has not before the issue of the PDS, withdrawn its written consent to be named herein, and to the statements made by or based on statements made by or about it in this PDS in the form and context in which they appear, as the Investment Manager.

## **16. HOW TO INVEST**

If you decide that you wish to invest in the Quantara Pan Pacific Equities Investment Mandate, please complete and submit the Application Form found on the website of the Responsible Entity: <https://primarysecurities.com.au/current-offers/managed-investment-account-service/> or the Investment Manager [www.quantara.com.au/apply](http://www.quantara.com.au/apply) The Responsible Entity and Investment Manager also need to complete Account Opening on your behalf with Interactive Brokers.

The Responsible Entity has the right to accept or reject any Application in whole or in part in its absolute discretion.

The address provided on the Application Form must be the address of the Applicant and not the address or their advisor.



## **Application Money**

Payment of the Application Money is to be made to the following Application Account:

Bank: Westpac Banking Corporation  
Account Name: Primary Securities Ltd ARE for MIAS Quantara Pan Pacific Equities Investment Mandate Application Account  
BSB: 036-048  
Account No.: 472239

## **Making Additional Investments**

Additional investments can be made at any time by completing an Existing Investor Application Form, which can be obtained by contacting the Investment Manager or the Responsible Entity and making payment of additional investment into the Application Account.

Additional investment funds will be added to your Individual Account by the Investment Manager once accepted.

## **17. IMPORTANT INFORMATION**

### **Paper Copy**

At any time prior to the expiry of this PDS, the Responsible Entity and any authorised representative acting on the Responsible Entity's behalf, will send a paper copy of this PDS (and any supplementary documents), including the Application, to any person on request, without charge. If you wish to receive a hard copy of this PDS, please call the Responsible Entity on (08) 9430 5262 or go to the front page of the Responsible Entity's website at [www.primarysecurities.com.au](http://www.primarysecurities.com.au) and double click on Contact Us.

If you are printing an electronic copy of this PDS, you must print all pages including the Application Forms.

If you make this PDS available to another person you must give them the entire electronic file or printout.

You cannot invest in the Quantara Pan Pacific Equities Investment Mandate unless you use the Application Form accompanying, either a paper or electronic copy of this PDS.

### **Cooling Off Right**

You are entitled to a 14 day cooling-off period during which time you may request the return of funds invested and receive an amount equal to the amount that would have been issued on the day on which the Responsible Entity receives notice of your request. Please note that the amount returned to you may be greater or lesser than the amount initially invested, as it will be impacted by market movements in the Assets, applicable transaction costs and any non-refundable tax or duty paid or payable.

## 18. KEY TERMS AND GLOSSARY

The following words and expressions have the following meanings in this PDS unless the context requires otherwise:

|                     |  |
|---------------------|--|
| Account Opening     | The opening of an Individual Account with the Broker for the Member and the transfer into that account of the Application Money of the Member.   |
| Account Value       | The value of your Individual Account (including Cash) as determined by Interactive Brokers (when valuing financial products, the value is based on the last trade in the financial product and not on the purchase paid for the financial product in your Individual Account).   |
| Adjusted Value      | The Value of the Member's Individual Account at the close of business on the last business day of the Quarter:<br>(a) Less any contributions paid to the Member's Individual Account during the Quarter;<br>(b) plus:<br>(i) any withdrawals made;<br>(ii) any distributions paid; and<br>(iii) any fees deducted,<br>from the Member's Individual Account during the Quarter. |
| Adviser             | The financial adviser identified in your Application Form who must be an Authorised Representative of an AFS licensee authorised to provide financial product advice to retail clients.  |
| AML / CTF Act       | Means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth)  |
| Applicant           | Any person who has completed and delivered to<br>(a) the Responsible Entity; or<br>(b) any person who a duly authorised lawful agent of the Responsible Entity;<br>an Application but who is not yet a Member.   |
| Application Account | One or more special trust bank accounts or cash management accounts established in the name of the Responsible Entity and kept solely for the purpose of depositing Application Money in relation to the Mandate.  |
| Application Form    | The Application Form accompanying this PDS.  |
| Application Money   | The amount required to be paid, or the value of any cash or other property to be transferred, to the Responsible Entity by an Applicant accompanying their Application Form.   |
| ASIC                | The Australian Securities and Investment Commission.   |
| Assets              | All the assets, including cash and financial products in your Individual Account.  |
| ASX                 | The Australian Securities Exchange.  |

|                              |   |
|------------------------------|---|
| Capital Raising              | Relating to the actions that a company takes in order to find new capital to finance its activities.  |
| Cash                         | Any funds in your Individual Account which have not been converted into financial products.   |
| Corporations Act             | The Corporations Act 2001 (Cth).  |
| Derivative                   | A derivative is a security with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. The Mandate does not permit Derivatives.  |
| Differential Fee Arrangement | A differential fee arrangement between Members in the same Mandate arising from savings to the Mandate resulting, or reasonably expected by the Responsible Entity to result from the lower cost of servicing a Member of the Mandate because of particular characteristics of that Member or their investment, where the amount of the benefit by way of lower fees charged to the Member, or the rebate or waiver of fees provided to that Member, is no greater than a reasonable estimate of the amount of the saving or expected saving. |
| Dividend                     | A sum of money paid by a company to its shareholders out of its profits (or reserves).  |
| ETF                          | An Exchange traded fund, which is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, an ETF trades like a common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. ETFs typically have higher daily liquidity and lower fees than mutual fund shares, making them an attractive alternative for individual investors.  |
| Exchange                     | ASX, ASX 24 and Chi-X Australia and of the clearing facilities operated by ASX Clear and ASX Clear (Futures), the NYSE, the NASDAQ exchange or any other exchange in which the Broker participates.   |
| Fundamental analysis         | A method of share analysis which tries to determine whether a security is correctly valued within the broader market. Fundamental analysis uses revenues, earnings, future growth, return on equity, profit margins, and other data to determine a company's underlying value and potential for future growth. (Investopedia)   |
| GAV                          | The gross asset value of your Individual Account being the value of all Assets of your Individual Account before calculating the performance fee (without deducting any liabilities such as debt funding).  |
| GST                          | Goods and Services Tax as defined in <i>A New Tax System (Goods and Services Tax) Act 1999</i> .  |
| High Water Mark              | The Net Asset Value per unit in the Quantara Pan Pacific Equities Investment Mandate at the end of the most recent Calculation Period in respect of which   |

|                     |   |
|---------------------|---|
|                     | a Performance Fee was paid to the Investment Manager. Where the Performance Fee is paid for the first time the Net Asset Value for the purposes of this definition means \$1.00.  |
| Hurdle Rate         | The RBA Cash Rate plus 2% per annum.  |
| In specie           | The actual financial product or Asset being transferred rather than selling the financial product or Asset and transferring the proceeds of the sale of the financial product or Asset.   |
| Individual Account  | The account opened for a Member with the Broker for the purpose of depositing Application Money and carrying out subsequent dealings pursuant to a Mandate.   |
| Interactive Brokers | Interactive Brokers Australia Pty Ltd   |
| Inverse ETF         | An exchange traded fund (ETF) constructed by using various derivatives to profit from a decline in the value of an underlying benchmark. Investing in inverse ETFs is similar to holding various short positions, which involve borrowing securities and selling them with the hope of repurchasing them at a lower price. (Investopedia) |
| Investment Manager  | Quantara Asset Management Pty Ltd, ABN 97 658 495 026.  |
| Investment Mandate  | The investment strategy or plan applied by the Investment Manager and described in Section 7.   |
| Leverage            | The use of various financial instruments which enable a Client to outlay a small amount (in the form of margin) to secure an exposure to the full face value of the financial instrument to increase the potential return of an investment.   |
| LIC                 | Listed investment company being a closed-end collective investment vehicle similar to investment trusts in the UK and closed-end funds in the United States. Instead of regularly issuing new units or cancelling units as investors join and leave, as occurs with funds, investors buy and sell to each other on the ASX.               |
| Long                | A buy or other position that will benefit from rising prices.   |
| Mandate             | Quantara Pan Pacific Equities Investment Mandate.   |
| Master Account      | An Account in the name of the Responsible Entity and controlled by the Responsible Entity where the Individual Accounts will be allocated and maintained by the Responsible Entity or the Investment Manager.   |
| Member              | A person who has applied to become and has been accepted as a Member of MIAS in relation to the Quantara Pan Pacific Equities Investment Mandate by an Account Opening for the Member by the Responsible Entity or the Investment Manager.  |
| MIAS                | The registered managed investment scheme Managed Investment Account Service ARSN 164 487 389.   |
| Month               | Calendar month ending on the last Day of the month.   |

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| NASDAQ               | The National Association of Securities Dealers Automated Quotations System.  |
| NYSE                 | The New York Stock Exchange.   |
| Open Positions       | A generic term to describe ownership of any type of financial product such as securities or derivatives.   |
| PDS                  | Product Disclosure Statement.  |
| Performance Fee      | Is the fee so called described as the Performance Fee in Section 9: Fees and other costs.  |
| Platform Positions   | See definition of "Open Positions".  |
| RBA Cash Rate        | means the Interbank Overnight Cash Rate for the time being as published by the Reserve Bank of Australia.  |
| Rebalancing          | Occurs when the Investment Manager is required to buy or sell Assets to bring the Individual Account back in-line with the Investment Mandate. For example, if the Investment Mandate requires a certain percentage of a type of stock and percentage has been breached because of a withdrawal.   |
| Responsible Entity   | Primary Securities Ltd ABN 96 089 812 635 AFSL 224107.   |
| Short                | A sale or other position that will benefit from falling prices. The Quantara Pan Pacific Equities Investment Mandate does not permit short selling.  |
| Technical Analysis   | A trading discipline employed to evaluate investments and identify trading opportunities by analysing statistical trends gathered from trading activity, such as price movement and volume. Unlike fundamental analysis, technical analysis focuses on the study of price and volume. Technical analysts are called "chartists".   |
| Total Management Fee | The aggregate of each fee charged by the Investment Manager from each of the Members under this Mandate.   |
| Value                | The aggregate of the value of the Assets held in the Member's Individual Account, where the value of each Asset is the amount determined by the Responsible Entity in accordance with the valuation methods and policies determined by the Responsible Entity, provided that where the amount is not the current market value, such methods and policies must be approved by the auditor or a valuer duly authorised to value assets of the type |
| Wholesale Client     | has the meaning as set out in the Corporations Act.  |
| Withdrawal           | Refers to a reduction of Assets as a result of the Member requesting a payment of funds from their Individual Account. This may be achieved by a transfer of some of the Assets in specie.   |