

Altius Sustainable Bond Fund Product Disclosure Statement

16 December 2024

Issued by: Australian Ethical Investment Limited ('Australian Ethical', 'Responsible Entity', 'we', 'us' or 'our') ABN 47 003 188 930, AFS Licence No. 229949

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Important information

This Product Disclosure Statement (PDS) is issued by Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949), the Responsible Entity of the Altius Sustainable Bond Fund (ARSN 601 618 179) (Fund). Australian Ethical and Australian Unity Group Services Pty Ltd (ABN 29 006 803 069, 'Australian Unity') have entered into a transitional services agreement under which Australian Unity provides registry, custody, administration and other services to Australian Ethical.

The information in this PDS is up-to-date as at the issue date and may change from time to time. Where a change to this information is materially adverse to unitholders, we will issue a new PDS. Where changes are not materially adverse, those updates will be available at altiusam.com/funds/altius-sustainable-bond-fund

This PDS is a summary of significant information about the Fund and includes references to important information that forms part of the PDS, which is included in Altius Additional Information Document (Additional Information Document) and Guide to our Ethical Investment Process (Ethical Guide). You should consider that information before making a decision to invest in the Fund. The information provided in the PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The PDS, Additional Information Document, Ethical Guide and Target Market Determination (TMD) are available on the Altius website altiusam.com/funds/altius-sustainable-bond-fund or you can request a paper copy free of charge by calling 1300 997 774.

The PDS has been prepared to comply with the requirements of the laws of Australia. No units are being offered to any person whose registered address is outside of Australia unless Australian Ethical is satisfied that it would be lawful to make such an offer. The distribution of the PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of the PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The PDS may only be used by investors receiving it (electronically or otherwise) in Australia. No investments will be accepted on the basis of the PDS once replaced with a later PDS.

In this PDS, 'business day' refers to a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday.

The PDS is available in electronic format, including access via our website. If you receive the PDS electronically, please ensure that you have received the PDS in its entirety. If you are unsure whether the electronic documents you have received are complete, please contact us. Printed copies are available free of charge.

Australian Ethical completed the acquisition of the Altius business from Australian Unity Funds Management Limited ABN 60 071 497 115 on 25 September 2024.

Australian Unity provides support services to Australian Ethical for Altius investors and advisers.

Contact Details

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1. About Australian Ethical Investment Limited

Responsible Entity

Australian Ethical is the Responsible Entity for the Fund. It is subject to the provisions of the Fund's constitution and the Corporations Act 2001. Australian Ethical is responsible for the administration and management of the Fund.

Investment Manager

Australian Ethical is the Investment Manager of the Fund. Australian Ethical is a publicly listed funds management company (ASX:AEF), which has a long history of actively seeking out investments that are positive for society and the environment and restricting investments in, what they consider, harmful activities. Since pioneering ethical investment in Australia in 1986, Australian Ethical has grown to manage investments and superannuation on behalf of over 130,000 investors. The Australian Ethical Charter, unchanged since 1986, forms part of our constitution and not only guides Australian Ethical's investment choices, but underpins their business practices. Further information on our ethical investment style and ethical investment criteria is available in the Ethical Guide.

Australian Ethical strives to be a leader among ethical and responsible funds. Australian Ethical is a signatory to the Principles for Responsible Investment (PRI) (unpri.org), which are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating environmental, social and governance issues into investment practice. Australian Ethical is one of the founding B Corporations in Australia and in 2014 became the first company listed on the ASX to receive B Corporation certification. Australian Ethical believes it's important for businesses to play a leadership role in making the world a better place, not just to make profit. That's why Australian Ethical sets aside 10% of its after-tax profits (before bonus expense) every year to put back into the community via Australian Ethical's registered charity, the Australian Ethical Foundation Limited (ABN 14 607 166 503). This initiative provides financial support to not-for-profit and social impact organisations that contribute to humanitarian, environmental and animal welfare efforts in Australia and overseas.

Australian Ethical provides investment services through its cash and fixed interest investment team, Altius Asset Management ('Altius'). Altius takes a diversified approach to cash and fixed interest funds management, combining both credit and duration strategies, and seeks to optimise returns for investors throughout all market conditions.

The Altius team are leaders in responsible cash and fixed interest management and seek to deliver consistent income coupled with low capital volatility in all Australian market conditions using their extensive experience.

Altius has a rich history in responsible investment that dates back to 2014 with the launch of the Sustainable Bond Fund. Altius also launched Australia's first Green Bond Fund in 2020. Altius is widely acknowledged as a leader in the integration of responsible investment principles incorporating both active engagement and exclusion in the portfolio construction process.

2. How the Altius Sustainable Bond Fund works

The Fund is a registered managed investment scheme, structured as a unit trust. The Fund primarily invests in a portfolio of fixed interest securities, derivatives and cash, including Government, corporate, bank and other bonds, debentures, notes and other debt related securities.

Investor applications into the Fund are pooled to purchase a portfolio of green, social and sustainable fixed interest securities, derivatives and cash, including Government, corporate, bank and other bonds, debentures, notes and other debt related securities.

We will quote you a price for each unit each business day and will keep a record of the number of units you hold. The application and withdrawal price of your units is subject to the applicable buy/sell spread. The price of units will change as the market value of assets in the Fund rises or falls. We will be able to provide you with information about the current unit price to help you decide whether to sell your units or buy more. You can increase your investment at any time while the Fund is open for applications by buying more units in the Fund. Generally, you can decrease your investment by redeeming some or all of your units, although in certain circumstances (such as a freeze on withdrawals) you may not be able to withdraw your investment within the usual period. Withdrawals can be made by using the Withdrawal Request Form on our website or by contacting us. Withdrawals can generally be made on any business day.

You should read the important information about unit prices before making a decision. Go to the information about 'Unit prices' in Section 2 of the Additional Information Document. The material relating to unit prices may change between the time when you read this statement and the day when you acquire the product.

Minimum investment and withdrawal amounts*

	Retail Class	Ordinary class
Initial investment	\$5,000	\$100,000
Additional investment	\$1,000 (or \$100 per month for regular savings plan)	\$50,000
Minimum withdrawal	\$1,000	\$50,000
Minimum balance	\$5,000	\$100,000

*If you are investing in the Fund through a Masterfund or Investor Directed Portfolio Service ('IDPS'), the minimums detailed above may not apply. You should refer to your Masterfund or IDPS operator's offer document. See 'If you invest through a Masterfund or IDPS' in Section 5 of the Additional Information Document for more information.

We will send you a statement confirming any transactions made by you at the time of the transaction (excluding those made using a regular savings plan).

Small account balances

If the current value of your account is below the minimum balance required, we may withdraw your units in full and pay you the proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of units you hold.

You should read the important information about making investments and withdrawals and investing through a Masterfund or IDPS before making a decision. Go to the information about 'Making investments and withdrawals' in Section 1 and 'If you invest through a Masterfund or IDPS' in Section 5 of the Additional Information Document. The material relating to making investments and withdrawals and investing through a Masterfund or IDPS may change between the time when you read this statement and the day when you acquire the product.

Distributions

Generally, any distributions of net income are paid to you within 21 business days after the end of the Fund's distribution period. The Fund distributes on a quarterly basis (i.e. March, June, September and December). It is our standard practice to source distributions from net income only. The distribution policy will be aligned to the ongoing earning capacity of the Fund.

Although it is not our intention to source future distribution payments from sources other than net income, we may do so if we consider it to be in the interests of our investors.

The amount of distribution income paid to you is based on the number of units you hold at the end of each distribution period.

You can reinvest your distribution. Distributions will be reinvested as additional units in the Fund. The distribution reinvestment price is the cum-distribution unit price at the end of the distribution period less the amount of distribution per unit payable, excluding any buy/sell spread.

If you wish to have the distribution paid to you, complete the relevant section of the Application Form. Your distribution will automatically be reinvested if we do not have your bank account details on record or we do not receive a valid reinvestment instruction.

3. Benefits of investing in the Altius Sustainable Bond Fund

The significant features and benefits of the Fund are:

- Contemporary investment process.
- Access to an active fixed interest manager.
- A diversified portfolio of Government and credit securities, with the potential to generate regular income paid quarterly.
- Access to the skills of a team of seasoned investment professionals who actively manage the portfolio throughout economic cycles.
- Prudent risk management.
- Expected low capital volatility.
- Access to a diversified Australian fixed interest portfolio that may align with the investor's personal and social values.

You should read the important information about the Fund's constitution and Fund disclosures before making a decision. Go to the information about the 'Constitution' and 'Additional disclosure information' in Section 5 of the Additional Information Document. The material relating to the Fund's constitution and Fund disclosures may change between the time when you read this statement and the day when you acquire the product.

4. Risks of managed investment schemes

What is risk?

Risk refers to the variability and volatility of an investment return, the likelihood of incurring a loss on your investment or the possibility that your investment does not perform as expected.

All investments come with a degree of risk and different strategies carry different levels of risk, depending on the assets that make up the strategy. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk tolerance.

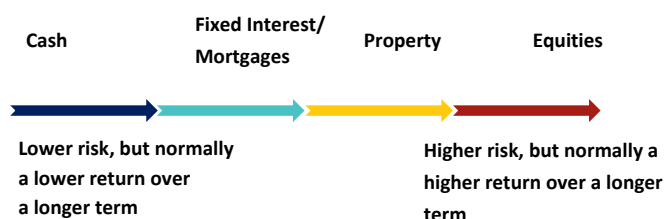
The main risks of investing include that the value of your investment will vary, the amount of income generated from the investment may fluctuate or decrease, or you may receive a lower than expected rate of return. Returns of the Fund are not guaranteed. The level of returns will vary, and there is a risk that investors may lose some of their money. Future returns may differ from past returns.

These risks can arise from various circumstances, including:

- changes to government policies and legislation that may have adverse impacts on registered managed investment schemes such as this Fund, investment markets or the tax treatment of investment returns ('regulatory risk'); and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to

market sentiment, that may make certain investments less attractive ('market risk').

In general, there is a relationship between the level of return generated by an investment and its level of risk. Assets with the highest potential long-term returns often also carry the highest level of risk. The spectrum below shows the main types of investments according to their relationship between risk and return for you to consider.



If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower over the long term. Conversely, if your focus is on achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

How we manage risk

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation and your investment objectives affect your selection of investments;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns.

Particular significant risks relevant to the Fund

Fixed interest risk

Fixed interest funds effectively lend money to Governments, companies, banks and other entities at either fixed or variable rates of interest, for a defined term. This is achieved by purchasing bonds, debentures or similar securities that have been issued by a borrower (issuer).

There is a risk that an issuer of a fixed interest security may not be able to make interest payments or to repay the principal, which may reduce the value of your investment and level of income. Changes in interest rates or changes to the credit-worthiness of issuers will also impact the value of your fixed interest investments.

As fixed interest securities are not generally traded on an exchange (like equities), in adverse market conditions, these securities may become less liquid than under normal circumstances. This may impact on the performance of the Fund, and it may take longer for you to withdraw your money.

Liquidity risk

Liquidity relates to how quickly you can access your money from an investment. Investments in direct property, for example, are generally less liquid than cash, due to the time it takes to sell property. Similarly, securities of smaller issuers may be less liquid than larger issuers such as Governments. This is a risk in all market conditions, however, especially in falling markets.

The Fund holds a certain amount of cash and other liquid assets to enable you to access your money in a relatively short amount of time. However, if the level of withdrawals exceeds the available liquid

assets, it may take longer for you to access your money or the Fund may lose value from selling assets at an inopportune time.

Derivatives risk

The Fund may use derivatives such as futures in the management of the portfolio but will generally not use derivatives for gearing purposes or speculative activities.

A derivative is a financial instrument which derives its value from another source, such as a share. The main types of derivatives are futures, options and swaps.

Derivatives can expose a fund to:

- risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security, index or financial obligation),
- basis risk (the risk where the value of the derivative moves independently from the value of the underlying security, index or financial obligation), and
- counterparty risk (the risk of loss arising from the failure of another party to meet contractual obligations).

Risk of investing ethically and sustainably

You should be aware that investing ethically and sustainably means that the investment universe will generally be more limited than non-ethical, non-sustainable portfolios in similar asset classes. This means that the Fund may not have exposure to specific assets which over or underperform over the investment cycle. It follows that the returns and volatility of the Fund may be higher or lower than its non-ethical non-sustainable peers over all investment terms.

Unforeseen risk

Major external events including natural phenomena, pandemics, attacks or other like events may affect the Fund's investments or the underlying funds in which the Fund invests. These occurrences may result in a loss of capital, in turn reducing the price of Units and amounts that may be available for distribution by the Fund.

5. How we invest your money

Investment return objective

The Fund aims to outperform the benchmark (50% Reserve Bank of Australia Cash Rate and 50% Bloomberg AusBond Composite 0+Yr Index1) after fees over rolling three-year periods.

Australian Ethical may vary the Fund's investment objective from time to time. Australian Ethical will advise investors in writing of a change to the investment objective of the Fund.

Investment approach

The Fund is an 'active and diversified' fixed income fund which aims to optimise returns for investors in all market conditions. The Fund's investment strategy is to apply a high conviction approach and to seek opportunities which take advantage of the mispricing of bonds at all stages of the economic cycle. A comprehensive risk management framework is employed, which includes diversification at the security and sector level. The Fund has broad investment guidelines permitting investments in fixed interest securities of 0-100% and cash and similar investments of 0-100%. Furthermore, these investments may be with government or corporate entities in a range of 0-100%. These broad ranges assist in the aim to position the Fund to achieve positive performance returns in a rising interest rate and/or a deteriorating credit environment.

The Fund has the ability to borrow funds for day to day operational activities, however will generally not use gearing in implementing portfolio positions.

The Fund may gain exposure to certain assets by investing through other investment vehicles including those managed by a

related entity.

Due to the nature of its investment strategy, we consider the level of investment risk in the Fund to be medium.

Sustainability Advisory Committee

An oversight committee (the Sustainability Advisory Committee) is in place to provide guidance on the application of the sustainability considerations.

The Committee has appointed an independent external research provider ('Adviser') to monitor and rank eligible security issuers. In ranking security issuers, the Adviser considers factors including:

- environmental effects of the issuer;
- social consequences of their business; and
- quality of governance.

The Adviser's ranking forms the basis on which the Committee considers if a security may be included in the investible universe of the Fund. The Committee cannot override a decision to exclude an investment under our Ethical Criteria, which includes revenue-based negative screens for weapons, nuclear energy and uranium, gambling, pornography and alcohol production, as described in our Ethical Guide. In addition, securities will be excluded where the investment manager becomes aware that gross revenue exceeding 10% is being derived from tobacco distribution or from fossil fuel exploration, production, distribution, or services. The Committee could provide an exemption for a company if it has a live divestment strategy or a transition strategy that addresses the relevant activities: i.e planned business closure, as long as it meets the overall Ethical Criteria.

Who should invest in the Fund?

This Fund is typically suited to investors who:

- require an exposure to fixed income investments that
- offer relatively stable returns and the potential for
- regular income;
- want a relatively high level of capital preservation;
- have at least a three-year investment timeframe for
- holding their investment; and
- are looking for a fixed income fund that considers
- environmental, social and governance issues.

A current Target Market Determination for the Fund is available on the website altiusam.com/funds/altiusustainable-bond-fund

Warning: You should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund. It is important that you consider the risks of investing which are explained in Section 4 of this PDS.

Labour standards or environmental, social or ethical considerations

We assess and take into account labour standards, and environmental, social and ethical considerations when undertaking qualitative analysis of prospective investments for the portfolio. These considerations are outlined in the Ethical Guide available at altiusam.com/funds/altius-sustainable-bond-fund

There is no predetermined view as to the degree to which labour standards or environmental, social or ethical considerations will be taken into account in the selection, retention or realisation of investments relating to the Fund's investments.

You should read the information relating to these policies before making a decision. These policies and material relating to 'Labour

standards, environmental and ethical considerations' may change between the time when you read this statement and the day when you acquire the product.

6. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your 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 fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

The information can be used to compare costs between different simple managed investment schemes.

Fees and costs summary

Altius Sustainable Bond Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs¹ The fees and costs for managing your investment	Management fee A management fee of 0.37% p.a. of the net asset value of the Fund. ²	The management fee is calculated and accrued daily but paid monthly in arrears from the Fund. The amount of this fee can be negotiated with wholesale clients. ²
	Recoverable expenses Estimated to be 0.12% of the net asset value of the Fund for the financial year ending 30 June 2024.	Recoverable expenses are accrued as and when incurred by the Fund and therefore the amount recovered each month may vary. Recoverable expenses are paid monthly in arrears from the assets of the Fund.
	Indirect costs Estimated indirect costs of 0.00% of the net asset value of the Fund for the year to 30 June 2024. ³	Payable from the assets of the Fund or the assets of interposed vehicles in which the Fund invests and reflected in the Unit Price.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.05% p.a. of the Fund net asset value for the year to 30 June 2024.	These costs are payable when incurred from the assets of the Fund or the asset of the interposed vehicles and reflected in the Fund's Unit Price.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)¹		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy/sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0.05% / 0.05%	These are the amounts recovered by the Fund when you transact. Buy/sell spreads are included in the application and withdrawal prices and effectively increase the amount you pay when you buy units and reduce the amount you receive when you sell units. Buy/sell spreads are not applied to the reinvestment of distributions.

Altius Sustainable Bond Fund

Type of fee or cost	Amount	How and when paid
Withdrawal fee		
The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee		
The fee to close your investment	Nil	Not applicable
Switching fee		
The fee for changing investment options	Nil	Not applicable

1. Adviser fees may be payable. Refer to Adviser Remuneration in section 3 of the Additional Information Document.
2. These fees may be negotiated for investors who qualify as a 'wholesale client' (as defined in the Corporations Act 2001). Refer to 'Wholesale clients' in Section 3 the Additional explanation of fees and costs in the Additional Information Document.
3. Refer to 'Indirect cost' in Section 3 of the Additional Information Document for more information on the Fund's indirect costs.

Past costs are not a reliable indicator of future costs.

Warning: Other service fees, such as an advice fee, may apply if you have a financial adviser. You should refer to the Statement of Advice you receive from your financial adviser. Refer to 'Payments to your financial adviser' section for more information.

Example of annual fees and costs

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

EXAMPLE – Altius Sustainable Bond Fund (Retail Class)		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR		
Contribution Fees ¹	Nil	For every additional \$5,000 you put in, you will be charged \$0 .
PLUS Management fees and costs	0.49% p.a. ³	And , for every \$50,000 you have in the Altius Sustainable Bond Fund (Retail Class) you will be charged or have deducted from your investment \$245 each year.
PLUS Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.05% ²	And , you will be charged or have deducted from your investment \$25 in transaction costs
EQUALS Cost of Altius Sustainable Bond Fund (Retail Class)		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 and costs of: \$270*^{1,2,3} What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply. Please note: The example above is illustrative only.

1. This example assumes that the contribution of \$5,000 is made at the end of the year, and therefore no management costs for the contribution have been included.
2. A buy/sell spread may apply to investments in and out of the Fund (see 'transaction costs' in the Additional Explanation of Fees and Costs in Section 3 of the Additional Information Document).
3. Management fees and costs may be negotiated with investors who are wholesale clients.

ASIC provides a fees calculator on its 'Moneysmart' website that you could use to calculate the effects of fees and costs on account balances.

Additional explanation of fees and costs

Fee changes

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees, without your consent, but will provide at least 30 days written notice of any increase.

Goods and Services Tax

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and service tax ('GST') less input tax credits (including approximate reduced input tax credits) that the Fund may be entitled to claim.

Payments to financial advisers and intermediaries

The Corporations Act 2001 contains provisions which regulate, and in some cases prohibit, payment to financial advisers and intermediaries by product issuers. Any arrangement by us to make payments or provide incentives to financial advisers and intermediaries will be entered into in compliance with the legislation.

Payments to your financial adviser

Additional fees may be paid to a financial adviser if you consult one.

You can choose to make payments to your financial adviser through an 'advice fee' from your account. This payment reflects your arrangement with your financial adviser as set out in the Statement of Advice provided by your financial adviser and is calculated and deducted (by way of a withdrawal of units, which may have taxation consequences) on a monthly basis. The advice fee is not a fee paid to us. You must notify us if you change or cancel your arrangement with your financial adviser.

We may require evidence of your continuing consent to the ongoing payment of advice fees from time to time from your financial adviser.

For example, if your average monthly account balance is \$10,000 and you nominate an ongoing advice fee of 1.10% p.a. this equates to approximately \$9.17 per month. The dollar amount will vary depending upon the average value of your account each month.

You should read the important information about fees and costs before making a decision. Go to 'Fees and costs' in Section 3 of the Additional Information Document. The material relating to fees and costs may change between the time when you read this statement and the day when you acquire the product.

7. How managed investment schemes are taxed

Australian taxation

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. Taxation law is complex and its application is dependent on your individual circumstances. We strongly recommend that you seek independent professional tax advice about how it applies in your specific circumstances.

At the date of the PDS the Fund is not a Managed Investment Trust (MIT) for tax purposes and therefore the Fund is not eligible to be an Attribution Managed Investment Trust (AMIT). The Fund itself should not pay tax on the basis that it will make a full distribution of all taxable income to investors each financial year. You will need to include in your income tax return your share of the Fund's taxable income and capital gains for each financial year.

You should read the important information about taxation before making a decision. Go to the 'Additional information about taxation' in Section 4 of the Additional Information Document. The material relating to taxation may change between the time when you read this statement and the day when you acquire the product.

8. How to apply

1. To invest directly in the Fund, read and consider the PDS, TMD, Additional Information Document (AID) and Ethical Guide, which are available on our website.

You can complete the Application Form together with your payment instructions by downloading the Application Form.

2. Submit the Application Form by one of the following methods:

- Email: Sending your scanned Application Form and attachments to australianunitywealth_transactions@unitregistry.com.au
- Post: Sending your completed Application Form and attachments to:

Australian Unity
GPO Box 804
Melbourne VIC 3001
(No stamp required if mailed in Australia)

The application will be considered lodged when it is received in our Melbourne office on a Melbourne business day, prior to 3.00 pm.

The Application Form for the Fund can be found on our website at altiusam.com/funds/altius-sustainable-bond-fund

Handling of applications

No interest will be paid on application amounts for the period from receipt until the issue of units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned by us unfilled. Any net interest earned on the application amount during this period will be retained by the Fund and form part of its income for the benefit of investors. We may, in our absolute discretion, reject in whole or in part any application. We need not give any reason for the rejection.

Cooling off period

If you are a retail client as defined in the Corporations Act, investing directly in the Fund, you have a 14-day cooling off period. You will need to tell us in writing if you no longer wish to invest. The 14-day period starts on the earlier of receiving confirmation that you are invested or 5 business days after we issue units to you.

If you exercise your cooling off right, your money will be returned to you, adjusted for the increase or decrease in the value of the investment at the date we received notification, and reasonable transaction or administrative costs. The amount returned to you may be less than the amount you invested.

Dispute resolution

We take complaints seriously and aim to resolve them as quickly as possible. If you would like to make a complaint you can call us on 1300 997 774, email australianunitywealth@unitregistry.com.au or write to the following address:

Australian Unity Wealth & Capital Markets
GPO Box 804
Melbourne VIC 3001

We will promptly acknowledge your complaint, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 30 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If you are not satisfied with our handling or resolution of your complaint, then you may contact the Australian Financial Complaints Authority ('AFCA'). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

9. Other information

Related party transactions

All transactions we enter into in relation to the Fund including those with related parties are on arm's length commercial terms.

Policies and guidelines are in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Ethical entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. Details of material related party transactions are reported yearly as part of the Fund's Annual Report. The Fund's Annual Reports are published on the Altius website altiusam.com/funds/altius-sustainable-bond-fund

Target Market Determination ('TMD')

TMD is a set of criteria that we, in our capacity as the product issuer, issue for each of our products (including their investment options).

It describes who our products are likely to be appropriate for. It also contains details around distribution conditions, eligibility criteria, information reporting requirements, and a set of internal review triggers.

For more information on whether this product may be suitable for your investment needs, please refer to the TMD at altiusam.com/funds/altius-sustainable-bond-fund

Anti-money laundering and counter terrorism financing ('AML/CTF')

Australia's AML/CTF laws require us to adopt and maintain an anti-money laundering and counter terrorism financing program ('AML/CTF Program'). A fundamental part of the AML/CTF Program is that we know certain information about investors in the Fund. To meet this legal requirement, we need to collect certain identification information and documentation ('KYC Documents') from you if you are a new investor. We may also ask an existing investor to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or redemptions will be delayed or refused if you do not provide the KYC Documents when requested.

Under the AML/CTF laws, we may be required to submit reports to the Australian Transaction Reports and Analysis Centre ('AUSTRAC'). This may include the disclosure of your personal information. We may not be able to tell you when this occurs and, as a result, AUSTRAC may require us to deny you (on a temporary or permanent basis) access to your investment.

This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

We are not liable for any loss you may suffer because of compliance with the AML/CTF laws.

Privacy

We respect your privacy. Protecting your personal information is important to us. We collect personal information from you and, if relevant, from your financial adviser. We may take steps to verify the information collected. Where you provide us with personal information about someone else (for example, your power of attorney, or related persons including the beneficial owners connected with your investment) you must have their consent to provide their personal information to us.

We will use your personal information to:

- process your application; provide and administer your investment and send you information; improve and personalise our products and services; conduct product and market research;
- inform you about other products and services that may be useful to you; and comply with our obligations under the law, including with respect of anti-money laundering, financial services and taxation laws.

Please read our Privacy Policy and our Privacy Collection Notice (Managed Funds) which outlines the type of information we collect about you and how we will use that information. These documents are available on our website:

australianethical.com.au/privacypolicy

If you have any concerns or questions about the privacy of your personal information, please contact our Privacy Officer:

Email: privacy@australianethical.com.au

Address: GPO Box 8, GPO Box Centre, Sydney NSW 2000

If you are not satisfied with how your concern was addressed, you may contact the Privacy Commissioner at:

Address: Office of the Australian Information Commissioner,
GPO Box 5218, Sydney NSW 2001

Online: oaic.gov.au/privacy/privacy-complaints