

# Antares Enhanced Cash Trust

## Information Memorandum

Preparation date: 3 October 2023



Issued by  
MLC Investments Limited  
ABN 30 002 641 661  
AFSL 230705

a partner of  
 **ASSET MANAGEMENT**

# What is covered in this Information Memorandum

## Contents

<b>About the Trust</b>	<b>1</b>
<b>Antares' investment approach</b>	<b>2</b>
<b>Profile of the Antares Enhanced Cash Trust</b>	<b>4</b>
<b>Explanation of fees and costs</b>	<b>5</b>
<b>Some things to consider before you invest</b>	<b>6</b>
<b>Some important details</b>	<b>7</b>
<b>Contact details</b>	<b>10</b>

---

This Information Memorandum (IM) provides information about the Antares Enhanced Cash Trust (Trust). Units in the Trust are only offered to residents in Australia who are wholesale clients as defined in section 761G of the *Corporations Act 2001* (Cth) (Corporations Act).

This IM may not be photocopied, reproduced or distributed to others without the prior written consent from us or the investment manager.

This IM is not a prospectus or product disclosure document under the Corporations Act and is not required to be and has not been lodged with the Australian Securities and Investments Commission (ASIC) under the Corporations Act.

This IM contains important information you should consider before making an investment decision in relation to the Trust. The information provided in this IM is general information only and does not take into account your personal financial situation, needs or objectives. The content in this IM may change from time to time without notice. Any changes will be published at **[antarescapital.com.au/resource-library](http://antarescapital.com.au/resource-library)**. We recommend you obtain financial advice for your own personal circumstances before making an investment decision.

This document has been prepared on behalf of MLC Investments Limited (MLC) ABN 30 002 641 661 AFSL 230705 as Responsible Entity of the Trust. MLC may also be referred to as 'us', 'we' or 'our'. MLC is part of the Insignia Financial Group of Companies, comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). The capital value, payment of income and performance of the Trust are not guaranteed. An investment in the Trust is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

This IM supersedes all previous offers and representations (including presentations, brochures and information memoranda) in relation to the Trust. The Responsible Entity reserves the right to modify, withdraw, reject or cancel any offering made pursuant to this IM at any time prior to accepting any subscription.

Any information or representations not contained in this IM may not be relied upon as having been authorised by the Responsible Entity or the investment manager and should be disregarded.

The constitution (Constitution) of the Trust (which is available on request from the Responsible Entity or the investment manager) should be considered in conjunction with this IM. To the extent of any inconsistency between this IM and the Constitution, the Constitution will prevail.

Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') do not approve or endorse any information included in this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

# About the Trust

## Responsible entity

MLC Investments Limited (MLC) is the Responsible Entity of the Trust and the issuer of this Information Memorandum (IM) and any units offered under it.

As the Responsible Entity, MLC is responsible for all aspects of operating the Trust including administration of the assets and overall investment policy.

MLC is part of the Insignia Financial Group.

MLC may be referred to as either 'Responsible Entity', 'us', 'we' or 'our' throughout this IM.

## Antares Fixed Income

The Responsible Entity has appointed MLC Asset Management Pty Ltd, a fully-owned subsidiary within the Insignia Financial Group, as investment manager of the Trust.

MLC Asset Management Pty Ltd has a dedicated fixed income asset management business, trading as Antares Fixed Income (Antares). Antares specialises in managing fixed income and cash portfolios across domestic and international markets. Antares' experienced investment team have managed cash and fixed income portfolios for clients since 1990.

Antares focuses on delivering performance for clients through an investment approach underpinned by dedication, experience and discipline. Antares recognises and is prepared for market uncertainty and believes great performance is achieved through a focus on both risk and return.

For more information on Antares and the Trust, including the investment team's credentials and funds under management, refer to [antarescapital.com.au](https://antarescapital.com.au)

# Antares' investment approach

## Antares' risk-controlled approach aims to deliver competitive returns through market cycles.

Antares recognises that risks in debt markets are asymmetric, where the risk of capital loss can outweigh the certainty of income receipts. Therefore its portfolios are constructed to capture income and minimise the risk of capital loss.

At the core of Antares' approach to investing are a number of key beliefs, including:

- market, credit and liquidity risks can be quantified and analysed to produce attractive risk and return outcomes
- debt markets are not always efficient and therefore opportunities can be identified and exploited using an active management approach
- by applying diversified strategies across a broad set of opportunities, competitive returns for a given level of risk can be delivered
- a systematic investment approach to modelling strategies, monitoring inputs and implementation can deliver competitive risk and return outcomes, and
- the best results for clients come from a stable, collaborative and highly experienced team of skilled investment professionals.

Antares translates these key beliefs into strategies and portfolios for clients through:

- **Research and security selection**  
Antares values securities using fundamental, technical and quantitative tools. This includes research and analysis of macroeconomic, market and company specific factors that influence the pricing of securities. Antares' research focuses on understanding economic environments and the implications for growth, inflation and interest rate settings for Australia and the major global economies.
- **A diversified range of strategies**  
Insights from research are applied to a range of strategies which aim to generate excess returns for client portfolios. These strategies have been successfully applied by Antares for more than 30 years and comprise:
  - duration
  - yield curve
  - sector rotation, and
  - credit selection.

- **Risk management**

A focus on risk management and controls aims to mitigate adverse outcomes.

This is achieved through:

- controlling general portfolio risks – such as excessive volatility and concentration as well as insufficient liquidity
- managing the dominant portfolio risk of capital loss by having a well-diversified portfolio and a rigorous ongoing assessment of economic, market and security specific developments, and
- strong operational systems and controls.

## Responsible investment

Responsible investment is the practice of considering Environmental, Social and Governance (ESG) factors in the research, analysis, selection and management of investments and the implementation of good stewardship practices.

There are a broad range of ESG factors that may impact the risk profile and or return characteristics of an investment. Some examples include:

### Environmental (E)

- Climate change initiatives like reduction in greenhouse gas emissions
- Waste management
- Energy efficiency
- Water supply
- Pollution
- Biodiversity

### Social (S)

- Human capital management
- Labour standards
- Modern slavery
- Diversity, Equity and Inclusion (DE&I)
- Workplace health and safety
- Integration with local community and earning a social licence to operate
- Indigenous rights
- Employee engagement

### Governance (G)

- Rights, responsibilities and expectations across all stakeholders
- Board structure, diversity and independence
- Executive remuneration (short- and long-term incentives)
- Bribery and corruption
- Anti-competitive behaviour
- Political lobbying and donations
- Shareholder rights
- Tax strategy

The Trust isn't promoted as a socially responsible or ethical investment.

# Antares' investment approach (continued)

Except as stated below, the Responsible Entity does not take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments.

## Responsible investment in the Trust

The Responsible Entity has delegated investment management decisions for the Trust to Antares Fixed Income as investment manager. Antares Fixed Income uses the following responsible investment approaches (where possible) to improve investment outcomes:

- **Identifying and considering relevant ESG factors** in the investment decision-making process (known as ESG integration). This allows them to recognise and act upon opportunities and risks related to ESG factors.
- **Being active stewards** in the companies, such as by engaging with these companies on a range of commercial, strategic and ESG factors (known as active ownership or active stewardship). This provides an opportunity to enhance and protect the long-term value of investments.

Where there is an exclusion of some sectors and companies because they're associated with certain controversial business activities (known as a negative screen), see the 'What's excluded' section below.

Antares Fixed Income considers the primary objective of integrating ESG factors in the investment process to be identifying risks, rather than opportunities. Antares Fixed Income does not currently consider ESG factors within the credit risk assessment process of Sovereign, Semi-Government, Supranational and structured products such as Asset-Backed Securities and Residential Mortgage-Backed Securities. This is because of difficulties in determining the impact of ESG factors on and limited disclosure by the issuers. The relevant insights from ESG factors are systematically scored by a proprietary framework which informs the investment process.

The Fixed Income asset class restricts the application of the active stewardship responsible investment approach as holders of fixed income instruments typically do not have ownership rights such as proxy voting.

The responsible investment approach for an investment manager can change. For example, this can occur through a change in approach by the investment manager or a change in an investment manager. We will notify you of any such changes in accordance with our obligations under the law.

## What's excluded

A negative screen is employed for the Trust to exclude investment in companies which manufacture cigarettes or other tobacco products or generates any revenue from manufacturing cigarettes or other tobacco products (referred to as Tobacco manufacturing in this document). The negative screen will apply to shareholdings or debt instruments applicable to the Trust.

A tobacco manufacturing company is a company that satisfies the following:

- Tobacco manufacturing, or
- >0% revenue limit from tobacco manufacturing.

The negative screen applies in respect of manufacturing and no other business activities by a company. Therefore the Trust may have exposure to activities related to the value chain for Tobacco manufacturing e.g. raw materials, production inputs, distribution, retail sales and the financing of such activities.

The revenue limit is determined as sales or revenue for the company from tobacco manufacturing as a proportion of the most recent-year net operating revenues from all ongoing lines of business of the company. For example, a 0% revenue limit would mean that any company with more than 0% of its most recent-year net operating revenue or sales coming from Tobacco manufacturing would be excluded from the Trust. The sales or revenue amount for the company is determined on appropriate publicly available revenue data. Our reputable third-party provider assesses and classifies companies' revenue sources to determine their industry classification based on the criteria.

## Practical limitations

While this negative screen captures most companies, not all companies are required to make full disclosure about their involvement in these activities (or cannot be identified through indirect ownership structures). There are limitations in the availability, collection and reporting of this information. If a company's revenue mix changes (e.g. prior non-disclosure, or due to merger or demerger activities) and then exceeds the permitted revenue thresholds, a timely review of that company will be undertaken after it has been identified and its securities will be excluded as required.

The Trust may, from time to time, have a small level of unintended exposure. This could occur where there is a delay in data availability, an inability to exit an investment or as a result of indirect exposure through an externally managed investment. The Trust could have an exposure through the use of index options, futures, or exchange traded funds.

# Profile of the Antares Enhanced Cash Trust

<b>Objective</b>	The aim of the Trust is to actively manage a portfolio of Australian money market and fixed income securities (in a risk-controlled manner) to generate a return over a full market cycle which exceeds that delivered by the Australian bank bill rate.
<b>Expected return attributes</b>	Aims to outperform the Bloomberg AusBond Bank Bill Index by 25 basis points per annum (after fees) over rolling 12 month periods.
<b>Investment strategy</b>	<ul style="list-style-type: none"> <li>• Invests primarily in Australian bonds, cash and short-term securities either by way of physical securities or derivatives.</li> <li>• Derivatives include bond, bank bill futures contracts and interest rate swaps as well as credit default swap contracts which may be used to hedge the credit exposure to some corporate bonds.</li> <li>• Uses a combination of diversified investment strategies to generate excess returns and manage risk for the Trust. These strategies include liquidity management, duration positioning, yield curve positioning, sector rotation, and credit selection (outlined below).</li> <li>• Targets duration between 0 and 6 months and credit exposure in the range of securities rated A- through to AAA.</li> <li>• The Trust will not use leverage or short selling strategies.</li> <li>• May use other strategies, as determined appropriate, with regard to achieving the Trust's objectives.</li> </ul>
<b>Investment approach</b>	<p>Antares employs an active investment management approach using a range of strategies with a focus on maintaining a high degree of liquidity. All aspects of Antares' investment approach, outlined on page 2, are applied to managing the Trust. The most important aspects of this approach for the Trust are:</p> <p><b>Liquidity management</b></p> <p>Antares positions the Trust to meet its typical daily liquidity requirements.</p> <p><b>Active strategies to enhance returns</b></p> <p>To enhance returns and control risk Antares makes investment decisions using the following key strategies:</p> <ul style="list-style-type: none"> <li>• <b>Duration positioning:</b> The Trust's duration exposure is driven mainly by Antares' top down views on the direction of interest rates and from taking advantage of opportunities that arise. These opportunities are derived from Antares' scenario analysis and technical tools that identify directional strategies, particularly in volatile conditions.</li> <li>• <b>Yield curve positioning:</b> The dynamic nature of interest rate markets means the yield curve is constantly changing and requires active monitoring. Antares has proprietary analytical tools that identify value points on the yield curve. Based on this analysis, the Trust is opportunistically positioned along the yield curve.</li> <li>• <b>Sector rotation:</b> Antares adjusts the Trust's exposure to various sectors based on relative valuation differentials and an assessment of the fundamental macro environment.</li> <li>• <b>Credit selection:</b> The Trust's credit spread duration is driven mainly by Antares' top down views on the direction of credit spreads. Antares undertakes rigorous credit analyses of all individual corporate entities prior to investment.</li> </ul>
<b>Use of derivatives</b>	Derivatives are used to cost-efficiently and risk-effectively manage the Trust's investment strategy. They may not be used for speculative or gearing purposes.
<b>Income distribution</b>	The income of the Trust will generally be calculated effective the last day of September, December, March and June and will generally be distributed within 7 Business Days. However, there may be periods where no distributions are made or the Trust may make additional distributions.
<b>Fees and costs</b>	<p>The management costs are variable and are estimated to be 0.225% pa of the Trust's net asset value and are made up of the following components:</p> <ul style="list-style-type: none"> <li>• an administration costs component that is estimated to be 0.02% pa of the Trust's net asset value, and</li> <li>• an investment costs component that is estimated to be 0.205%<sup>1</sup> pa of the Trust's net asset value.</li> </ul> <p>The above percentages include GST net of any Reduced Input Tax Credit.</p> <p>For more information on the fees and other costs refer to page 4.</p>
<b>ARSN</b>	123 245 429

<sup>1</sup> Rounded to the nearest three decimal places using conventional rounding.

# Explanation of fees and costs

## Management fees and costs

The management fees include the investment management fee, which is the fee charged by the Responsible Entity for overseeing and managing the assets of the Trust, and fees charged by underlying investment managers.

The management costs include any indirect costs.

The management costs are made up of:

- administration costs, and
- investment costs.

The administration costs are intended to cover certain expenses of operating the Trust, such as custody costs, registry costs, audit fees and tax return fees. The actual administration costs charged will vary from time to time without notice to you and the amounts set out in this IM are only estimates.

The investment costs are fees and costs for investing the Trust's assets. They include fees charged by the Responsible Entity, fees paid to investment managers and other expenses incurred in investing the Trust's assets. From time to time, the Trust may incur fees charged directly by underlying managers. These directly incurred underlying manager fees will form part of the investment management fee for the Trust.

The management costs do not include buy-sell spreads or transaction costs.

The management costs are reflected in the daily unit price. They are paid from the assets of the Trust and are not required to be paid by you separately.

You may be able to negotiate the management costs by contacting Client Services on **1300 738 355**.

## Buy-sell spread

You incur the buy-sell spread when you buy or sell units in the Trust. The buy spread is added to the unit price when you buy units. The sell spread is deducted from the unit price when you sell units. The buy-sell spread is not a fee and no part of the buy-sell spread is paid to us or to any investment managers. The buy-sell spread is retained in the Trust to cover the estimated transaction costs incurred as a result of investor applications and redemptions. Buy-sell spreads may change from time to time. Increases (and decreases) may be significant. The latest buy-sell spreads can be found at [www.antarescapital.com.au/home/institutional-investor/fixed-income](http://www.antarescapital.com.au/home/institutional-investor/fixed-income). Investors may not be notified of changes, and should check current buy-sell spreads before making any investment decision.

## Reimbursable expenses

We are entitled to be reimbursed from the Trust for all costs and expenses incurred in acting as the Responsible Entity or in relation to the administration and management of the Trust. The expenses may include, but are not limited to, audit fees, IM preparation and printing costs and registry services.

We currently pay these costs and expenses out of the management costs and do not charge them to you as an additional cost.

## Fees paid to related companies

We may use the services of related companies where it makes good business sense to do so and will benefit our customers.

Examples of such service providers include custodian, registry operators and investment managers. Amounts paid for these services are always negotiated on an arm's length basis and are included in the management costs detailed in this IM.

## Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the Constitution without your consent.

We may decide to recover expenses directly from the Trust rather than pay them out of management costs.

If you invest directly in the Trust we will give you 30 days' notice of increases in investment costs. No notice will be given in respect of changes to administration costs and the buy-sell spread.

# Some things to consider before you invest

## Before you invest, there are some things you need to consider, including the how much risk you're prepared to accept

All investments come with some risk. Some investments will have more risk than others as it depends on the investment's strategy and assets. The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts than investments with lower levels of risk, ie its more volatile.

While Antares rigorously applies its disciplined investment approach, it's important for you to carefully consider the risks of investing in the Trust and to understand that:

- its value and returns will vary over time
- investments with higher long-term return potential usually have higher levels of short-term risk
- returns aren't guaranteed and you may lose money
- future returns will differ from past returns, and
- laws affecting managed investment schemes may change in the future.

## Some factors to bear in mind

The risks of investing in the Trust are typical of the risks of managed investment schemes investing in cash and fixed income securities.

These risks include:

- **Market risk:** risks that affect entire fixed income markets including investor sentiment, economic impacts, inflation rates, regulatory conditions, interest rates, political and catastrophic events.
- **Interest rate risk:** the value of the Trust's investments may be sensitive to changes to interest rates.
- **Credit (default) risk:** when investing in cash and fixed income you're effectively lending money to businesses or governments. Market values of the securities may rise or fall due to changes in perceptions of an issuer being able to meet their obligations, including interest and capital repayments. The risk of an issuer defaulting on their payments increases with declining quality of credit issuers eg credit risk is higher for high yield securities than investment grade securities.

- **Derivatives risk:** derivatives are contracts that have a value derived from another source such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns. Some derivatives allow investment managers to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price of the underlying asset is unfavourable. Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset, the risk that the counterparties to the derivative may not be able to meet payment obligations and the risk that a particular derivative may be difficult or costly to trade.
- **Trust risk:** risks specific to the Trust include the risk that the Trust could terminate and that the fees and costs could change. There is also a risk that investing in the Trust may give different results than investing directly because of the impact of fees, income or capital gains accrued in the Trust and the consequences of investments and withdrawals by other investors.
- **Investment manager performance risk:** investment managers have different approaches to managing portfolios, which invariably results in different investment returns. No single investment approach is guaranteed to outperform all others in all market conditions. Changes to investment markets and within an investment manager's firm may also affect an investment manager's performance.
- **Liquidity risk:** this is the risk that an investment may not be able to be sold without incurring large transactional costs or quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests.

# Some important details

## About the Trust

The Trust is governed by its Constitution and is registered with ASIC. The Trust may make investments directly or indirectly by investing in other funds that have investment objectives and authorised investments that are consistent with the Trust.

## Opening an account

To invest in the Trust you must be a resident in Australia and be a wholesale client within the meaning of the Corporations Act.

This IM only constitutes an offer to invest if you receive it in Australia.

However we reserve the right to make an offer of units to any institutional investor outside Australia where to do so would not be in breach of the securities law requirements of that jurisdiction.

This IM does not constitute an offer or invitation in any jurisdiction in which it would be unlawful to make such an offer or invitation. By accepting this IM, you are representing that you are an eligible investor as described in this section of the IM, and you agree that, except as otherwise provided in this IM, neither you nor any of your directors, officers, employees or advisers will use the information for any purpose other than for evaluating an investment in the Trust, or divulge such information to any other person.

You should contact us to discuss the application requirements before lodging your application form and we will advise, where possible, what you need to do. Until all requirements are satisfied, we cannot accept an application. If at any time after investing in the Trust you no longer satisfy the relevant eligibility criteria, you must advise us and it may require the redemption of your unitholding. As at the date of the IM, the Trust is not offered or sold to US residents.

## Minimum balance

You need to maintain a minimum balance of \$5,000,000 in the Trust. However, we may accept lower amounts at our discretion. We may redeem your unitholding if your account balance falls below \$5,000,000.

## Units and unit prices

When money is paid into the Trust, units are issued and when money is paid out, units are cancelled.

The overall value of your investment in the Trust will change according to the unit price and the number of units held.

We usually calculate the unit price as at the end of each Business Day and use robust unit pricing policies to do this.

The unit price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable.

The performance of the underlying assets is influenced by movements in investment markets.

If you would like to find out more about our unit pricing philosophy, policies and how we will exercise any discretions in relation to unit pricing, please contact Client Services on **1300 738 355**.

If there is a unit pricing error that substantially impacts the Trust's performance, an adjustment may be made. This will generally involve reprocessing affected transactions using the corrected unit price, adjusting your account or both. The value of your investment could be increased or decreased as a result.

## Adding to your account

Once you've opened your account, you can make additional investments by electronic funds transfer (EFT).

Application requests accepted by Registry Services before 3:00pm (Sydney time) on any Business Day will receive that day's unit price. Application requests accepted after 3:00pm will receive the next Business Day's unit price.

We have the discretion to accept or refuse any initial or subsequent application without explanation.

## Accessing your money

You can request a partial or a full withdrawal from your account to a nominated bank account at any time.

Once accepted, withdrawal requests received by Registry Services before 3:00pm (Sydney time) on any Business Day will normally receive that day's unit price. Requests received after 3:00pm will normally receive the next Business Day's unit price.

Withdrawal requests will be actioned by us promptly and we generally seek to make payments within 10 Business Days.

However, payment may be delayed if, for example, underlying assets need to be sold. In certain circumstances, such as when there are adverse market conditions, we may also delay withdrawals.

We may also process requests in instalments over a period of time and may also delay payment of withdrawal requests we have already accepted. In certain circumstances we may refuse a withdrawal request.

In circumstances where withdrawals are delayed, suspended or being paid in instalments, the unit prices used for a withdrawal may be those available on the day the withdrawal takes effect, rather than the day the withdrawal request is received.

Once lodged, withdrawal requests may not be withdrawn except with our consent.

Business Days are generally days on which banks are open for business in Sydney (except Saturday, Sunday and public or bank holidays or such other days as we determine from time to time). We have the discretion to declare any day to be a Business Day.

# Some important details (continued)

## Transfers

You may be able to transfer all or some of your unitholding to another eligible investor. Please contact us for more information.

## Transacting on your account

We can only process transaction requests when we receive all required information. We will not be responsible for any loss arising from unauthorised or fraudulent requests.

Application monies will be held in trust in a non-interest bearing account until processed. If we are unable to process your application within 30 days of receipt we will return your money to you.

## We may deduct amounts or redeem units in certain circumstances

We may deduct from a withdrawal payment any amount owed under the Constitution, including taxes. We may also redeem some or all of a unitholding in the Trust to satisfy any such amounts.

We may also redeem all or some of a unitholding if we form the opinion that the unitholding is prejudicial to the interests of other investors.

## Income distributions

Our current practice is to generally distribute all of the net taxable income of the Trust to investors for each financial year (including any net capital gains and net gains on currency management). As the Trust is an Attribution Managed Investment Trust (AMIT), we have the discretion to accumulate income (instead of distributing all of the income) and if we do so, the accumulated income will be reflected in the unit price. We intend to continue our current practice to distribute all of the taxable income (including any capital gains) for each year. We will notify you if this changes. To receive a distribution, you must hold units on the distribution calculation date.

We generally aim to pay distributions within 7 Business Days of the calculation date.

You can request to have income distributions:

- reinvested in the Trust, or
- paid into your bank account.

If you do not make a selection we will reinvest the income back into the Trust. We may otherwise accept or refuse your request at our discretion.

On the reinvestment of income, units will be issued at the unit price applicable at the distribution calculation date. No buy spread is currently applied to the issue of these units.

Some of the Trust's investments may also generate capital gains or losses which may result in net capital gains being distributed from time to time.

## Changes to the Trust

We may make changes to the Trust (and the information in this IM) at our discretion including, but not limited to, terminating the Trust or changing the investment manager when we deem it to be in unitholders' best interests. Some changes may be made without prior notice, including but not limited to, closing the Trust to new applications, changes to the investment strategy, asset allocation and service providers.

Where possible, we will give you prior written notice of any materially adverse change.

Changes that are not materially adverse may be made available on the website [antarescapital.com.au](http://antarescapital.com.au).

You should check the website for the latest information or you can obtain a copy of any updated information free of charge by calling Client Services on **1300 738 355**.

## Unitholders' liability

The Trust's underlying assets are owned by the Responsible Entity on behalf of investors. The Trust's Constitution limits unitholders' liability to their investment in the Trust.

## Termination of the Trust

The Trust may be terminated:

- if MLC believes the Trust can no longer fulfil its purpose
- if the Trust's unitholders pass an extraordinary resolution to terminate the Trust
- by Court order, or
- as otherwise allowed by the Constitution or the law.

## Tax

Because tax laws are complex and change from time to time, you should seek professional tax advice on your investment in the Trust.

The Trust itself generally should not be liable for tax on its net earnings. Rather investors should include their proportion of this taxable income of the Trust in their tax returns. Any net losses are retained by the Trust and may be available for use by the Trust to offset future gains.

If you buy units before a distribution, the unit price will include income accumulated in the Trust. The income that has been accumulating will generally be distributed and you may potentially have taxation liabilities in respect of that income.

Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the Trust are sold or redeemed.

# Some important details (continued)

## The AMIT regime

The Trust is an Attribution Managed Investment Trust (AMIT).

This means:

- The Trust will be deemed to be a 'fixed trust' for taxation purposes.
- The allocation of taxable income to its investors is based on "attribution" on a "fair and reasonable basis", rather than a present entitlement to the "income of the Trust" for each financial year and the Trust is not liable for tax provided all its taxable income is attributed to investors.
- A Trust may make year-on-year adjustments to reflect under-or-over distributions of the Trust's income.
- Investors may increase or decrease the cost base of their units where taxable income attributed is either greater than or less than (respectively) broadly the cash distribution and tax offsets for an income year, to help alleviate the potential for double taxation.

Under the AMIT regime:

- Australian residents will include their share of a Trust's taxable income in their income tax return, and
- non-residents may have withholding tax deducted from distributions they receive from the relevant Trust.

The Trust may accumulate income which is reflected in the unit price. Taxable income is attributed to investors, even if a Trust doesn't distribute its income.

However, we intend to continue our current practice of distributing all of the Trust's taxable income (including any capital gains) to our investors each financial year. We will notify you if this changes.

The details of the taxable income attributed to you will be set out in an AMIT Member Annual Statement (AMMA Statement), which will contain all necessary tax information. The tax payable (if any) depends on your individual tax profile and applicable tax rate.

If you disagree with our attribution of taxable income, you can object to the Commissioner of Taxation. If you decide to take this course, it is important that you obtain professional tax and legal advice. The constitution provides for you to give us notice before making an objection, so please do so and we will work with you to try to resolve the issue.

## Taxation of Financial Arrangements (TOFA) regime

Certain financial arrangements may be taxed under the TOFA regime. The TOFA provisions aim to align the taxation recognition of gains and losses on financial arrangements with commercial recognition of such gains and losses.

Under TOFA, the gains and losses on financial arrangements are recognised on an accruals basis rather than on realisation basis. In some cases, amounts may be recognised for taxation purposes before the relevant gains or losses are realised by the Trust.

### This IM is not a tax guide.

We recommend that you contact your tax adviser or the Australian Tax Office at [ato.gov.au](http://ato.gov.au) for further details and expert advice in relation to your own personal circumstances. This applies whether you are an Australian resident or a non-resident.

## Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of our privacy policy, please contact Client Services on **1300 738 355** or visit [mlcam.com.au/privacy](http://mlcam.com.au/privacy).

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing you with the products or services you have requested, we may disclose your personal information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas; however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

## Some important details (continued)

### Anti-money laundering

Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act), we are required to collect original certified copies of original document(s) (not scanned copies), which must be valid at the time you send them to Registry Services, to verify your identity and that of related parties (including if you are a non-individual entity, identity of any persons who are deemed to own or control (directly or indirectly) you ('beneficial owner')).

In addition, under the AML/CTF Act, we may be required to ask you for additional identity verification documents or information about you, a related party or a beneficial owner either when we are processing your application or at some stage after we issue the units.

Until Registry Services receives this documentation (or if we have concerns that a transaction requested by you, or anyone authorised to act on your behalf, might breach any obligations we have under legislation or cause us to commit or participate in an offence, under any law) we reserve the right to:

- block, suspend or refuse to process transactions
- freeze accounts or access to funds, or
- close your account without further notice.

These actions may be taken if we have reasonable grounds to suspect that there is a breach of any of our regulatory obligations, including where there may be a risk of damage to our reputation.

We also reserve the right to report details of accounts or transactions to the relevant authorities. Where transactions are delayed, blocked, frozen or refused in the above circumstances, we're not liable for any loss you suffer, including consequential loss. We will incur no liability to you or a related party if we do so.

## Some important details (continued)

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

We are required to collect information about your tax residency status, including whether you are a US citizen or resident for US tax purposes, and other relevant information to determine your reporting status under the FATCA and the CRS rules. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities.

### Resolving complaints

If you have a complaint, we can usually resolve it quickly over the phone on **1300 738 355**. If you'd prefer to put your complaint in writing, you can email us at **investorservices@antaresequities.com.au** or send a letter to PO Box 200, North Sydney NSW 2059. We'll conduct a review and provide you with a response in writing. You have the option of lodging a complaint with the Australian Financial Complaints Authority (AFCA) directly, rather than lodging a complaint with us. You can also lodge a complaint with AFCA if you're not satisfied with our response or if your complaint has not been resolved within 30 days. AFCA provides an independent financial services complaint resolution process that's free to consumers. You can contact AFCA in the following ways:

Website: **afca.org.au**  
Email: **info@afca.org.au**  
Telephone: **1800 931 678 (free call)**  
In writing to: **AFCA, GPO Box 3,  
Melbourne VIC 3001**

For more information on our complaints management policy visit **mlcam.com.au/terms-and-conditions**

### Keeping you informed

We will provide the following information so you can stay informed about your investments:

<b>Transaction confirmation</b>	Confirms any investment, switch or withdrawal you make on your account. These statements will also be available on Investor Online via <b>mlcam.com.au/antares-capital</b>
<b>Distribution statement</b>	Provides details of the distributions paid on your account. These statements will also be available on Investor Online via <b>mlcam.com.au/antares-capital</b>
<b>Annual taxation statement</b>	You will be provided with an annual taxation statement, referred to as an AMIT Member Annual Statement (AMMA Statement), to assist you in completing your tax return. The AMMA Statement will show the taxable and non-taxable components of the income attributed to you (which includes any distributions received or reinvested). These statements will also be available on Investor Online via <b>mlcam.com.au/antares-capital</b>
<b>Annual audited financial statement</b>	You can elect to receive, free of charge, a copy of the Trust's annual report as a hard copy or an electronic copy. If you do not make an election, you can access a copy of the Trust's annual report on our website <b>https://www.antarescapital.com.au/home/resource-library/fixed-income-reports</b>
<b>Constitution</b>	
<b>Performance history</b>	
<b>Unit pricing policy</b>	This information is available to you on request by contacting Client Services on <b>1300 738 355</b>
<b>Derivatives policy</b>	
<b>Privacy policy</b>	
<b>IM updates</b>	

# Contact details

## Website

[antarescapital.com.au](http://antarescapital.com.au)

## Responsible Entity

MLC Investments Limited  
PO Box 200  
North Sydney NSW 2059 Australia

## Client Services

MLC Investments Limited  
PO Box 200  
North Sydney NSW 2059 Australia  
**Telephone: 1300 738 355**  
**Email:** [client.services@mlcam.com.au](mailto:client.services@mlcam.com.au)

## Registry Services

Antares Enhanced Cash Trust  
GPO Box 804  
Melbourne VIC 3001 Australia  
**Email:** [mlc\\_transactions@unitregistry.com.au](mailto:mlc_transactions@unitregistry.com.au)