

# Hejaz Sukuk Active ETF (Managed Fund)

## Product Disclosure Statement

ASX Code: SKUK  
ARSN 666 691 943  
ISIN AU0000300840  
Issue Date 22 July 2024



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### Investment Manager

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### Responsible Entity

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## About this PDS

This Product Disclosure Statement ("PDS") has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298 on 22 July 2024, and is a summary of the significant information relating to an investment in the Hejaz Sukuk Active ETF (Managed Fund) (ASX Code: SKUK) (the "Fund"). You should carefully read and consider the information in this PDS before making a decision about investing in the Fund.

The information provided in this PDS is for institutions relevantly authorised as Authorised Participants. Certain sections of the PDS (particularly those relating to applications for and withdrawals of units in the normal course) are of direct relevance to such persons only. Other investors cannot apply for units under this PDS, but can buy units on the ASX through a stockbroker, or via a financial adviser. Such investors may use this PDS for information purposes only.

The offer to which this PDS relates is available to Authorised Participants receiving the PDS (electronically or otherwise) in Australia, or in certain overseas jurisdictions by direct arrangement with the Responsible Entity.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the Fund in any jurisdiction outside Australia and New Zealand, although the Responsible Entity reserves the right to do so at any time. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined in Section 11 - Glossary) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

## Updated information

Information in this PDS is subject to change. We will notify investors of any changes that have a material adverse impact on investors or other significant events that affect the information contained in this PDS. Any information that is not materially adverse information is subject to change from time to time and may be obtained by calling the Investment Manager on 1300 043 529, or visiting [www.eqt.com.au/insto](http://www.eqt.com.au/insto). A paper copy of the updated information will be provided free of charge on request.

## Disclaimers

This Product Disclosure Statement ("PDS") was issued on 22 July 2024. This PDS is for the offer of interests in the Hejaz Sukuk Active ETF (Managed fund) (ASX: SKUK) ARSN 666 691 943 , ISIN AU0000300840 (referred to throughout this PDS as the "Fund").

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

At the time of lodgement of this PDS with ASIC, units in the Fund have been admitted to quotation on the Australian Securities Exchange ("ASX") with the exchange ticker: SKUK. Units in the Fund may be traded on the ASX like any listed security. No representation is made concerning the Fund's quotation on the ASX.

When an investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the investor's behalf. Consequently the operator (or the custodian of the platform), and not the investor as an indirect investor, holds the units and therefore has the rights of an investor in the Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at meetings, to withdraw units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

This PDS is prepared for general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider whether the information in this PDS is appropriate for them, having regard to their objectives, financial situation and needs. Investors should seek professional financial advice before making an investment decision.

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

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 5.

All references to dollars or "\$" in this PDS are to Australian dollars.

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

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act, unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities law.

If you received this PDS electronically, you will need to print and read this document in its entirety. We will provide a paper copy free upon request during the life of this PDS.

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

A copy of this PDS has been lodged with ASIC on 22 July 2024 and ASIC takes no responsibility for the content of this PDS.

### **Additional information for New Zealand investors**

#### **WARNING STATEMENT**

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for

you, you should seek the advice of a financial advice provider.

#### **ADDITIONAL WARNING STATEMENT: CURRENCY EXCHANGE RISK**

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

#### **ADDITIONAL WARNING STATEMENT: TRADING ON FINANCIAL PRODUCT MARKET**

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

#### **ADDITIONAL WARNING STATEMENT: DISPUTE RESOLUTION PROCESS**

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

#### **NEW ZEALAND DISCLOSURES RELATING TO DISTRIBUTION REINVESTMENT**

Distributions from the Fund will be directly credited, only if an Australian domiciled bank account in the name of the investor is nominated for this purpose, and will only be paid in AUD. Otherwise, distributions will be reinvested resulting in additional units being issued to you.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in this PDS.

The allotment of units as part of a distribution described in this PDS is offered to New Zealand investors on the following basis:

At the time the price of the units allotted as part of a distribution reinvestment is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.

The right to acquire, or require the Responsible Entity to issue, units as part of a distribution reinvestment will be offered to all investors in the Fund of the same class, other than those who are resident outside New Zealand and who are excluded by the Responsible Entity so as to avoid breaching overseas laws.

Every investor to whom the right is offered will be given a reasonable opportunity to accept it.

Units will be issued or transferred on the terms disclosed to investors in this PDS, and will be subject to the same rights as units issued or transferred to all investors of the same class who agree to receive the units.

You have the right to receive from us, on request and free of charge, a copy of:

- the most recent annual report of the Fund (if any)

- the most recent financial statements of the Fund (if any) and, if those statements are not audited or reviewed by an auditor, a statement to that effect
- a copy of the auditor's report on those statements (if any)

- the current PDS
- the Constitution of the Fund and any amendments to it.

Copies may be obtained electronically online at visiting [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or through the Responsible Entity.

# 1. About Equity Trustees Limited

## The Responsible Entity

### *Equity Trustees Limited*

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

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Hejaz Financial Advisers Pty Ltd as the manager of the Fund and Hejaz Asset Management Pty Ltd as the investment manager of the Fund. Equity Trustees has appointed a

custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

## The Investment Manager

### *Hejaz Asset Management Pty Ltd*

Hejaz Asset Management Pty Ltd ABN 69 613 618 821, AFSL 550009 ("Hejaz Asset Management" or the "Investment Manager") is an Australian based fund manager specialising in ethical and Sharia Compliant investments. The role of the Investment Manager is primarily to assist the Responsible Entity by investing and managing the portfolio of the Fund.

The directors of Hejaz Asset Management:

- specialise in offering boutique ethical advisory and investment services.
- provide expertise in the sciences of Islamic jurisprudence, specifically Islamic finance and investments.

## 2. How the Hejaz Sukuk Active ETF (Managed Fund) works

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive Units in the Fund when they invest. In general, each Unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give investors an interest in any particular asset of the Fund. Only Authorised Participants can apply for Units directly under this PDS. Investors who are not Authorised Participants can apply for Units through the ASX.

If you invest in the Fund through an IDPS (as defined in Section 11 - Glossary) you will not become an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the PDS applies to direct investors.

### Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating Unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

### Units and NAV per Unit

Units in the Fund have been admitted to quotation on the ASX. Units in the Fund may be traded on the ASX like any listed security.

You can acquire Units by purchasing Units on market.

Please refer to Sections 7 (How we invest your money) and 3 (Applications and Withdrawals) of this PDS for more information about how to invest in the Fund.

The NAV estimates the value of the Fund at the close of trading on the previous day in each market in which the Fund invests. The latest available NAV per Unit will be published daily on the Investment Manager's website at [www.hejazfs.com.au](http://www.hejazfs.com.au) prior to the commencement of each trading day on the ASX. The NAV per Unit may fluctuate each day as the market value of the Fund's assets rises or falls.

The Responsible Entity has engaged an agent to calculate and disseminate an indicative NAV per Unit (iNAV) which will be published on the Responsible Entity's website throughout the ASX Trading Day. The iNAV reflects the real time movements in share markets and currencies during the ASX Trading Day and, for securities not trading during the ASX Trading Day, listed proxy instruments selected on the basis of correlations with the underlying investments. The proxies and their correlations with underlying instruments are reviewed regularly and updated as required. The Issuer or its appointed agents gives no guarantees that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity or its appointed agent shall be liable to any person who relies on the iNAV. The price at which Units trade on the ASX may not reflect the NAV per Unit or the iNAV.

### Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of Units held by the investor at the end of the distribution period.

The Fund usually distributes income annually. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Where the Fund is an AMIT the distributions for a period may be based on estimates (please refer to Section 8 of this PDS). Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their AUD Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

Additional Units issued to investors who hold their Units with a stockbroker (HIN holding on the Securities Exchange sub-register) or who hold their Units directly with the Fund (SRN holding on the issuer-sponsored sub-register) will be rounded to the nearest whole number

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

New Zealand investors can only have their distribution directly credited if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested. If New Zealand investors elect to have their distribution directly credited, they will need to nominate a bank account able to receive AUD held in their own name with an Australian domiciled bank. Cash distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted Units in accordance with the terms and conditions set out above. The distribution reinvestment plan described above is offered to New Zealand investors on the following basis:

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



### **Additional information**

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Investors would then have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and

- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

### 3. Applications and Withdrawals

**Only Authorised Participants may apply for units directly through this PDS.**

**Other investors cannot apply for units through this PDS. Such investors may buy and sell units by trading on the ASX through a stockbroker or via a financial adviser.**

Prior to being issued units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for units. See "Applications and withdrawals" below for further information about the Authorised Participant Agreement.

Investors who are not Authorised Participants may only redeem units in the special circumstances described under "Investor withdrawals in special circumstances" below. However, all investors may normally sell their units by trading on the ASX.

To effect an application or withdrawal, Authorised Participants must complete the Application Form attached to, or submit a withdrawal request in accordance with this PDS and the Authorised Participant Agreement.

Applications for, and withdrawals of, units will be settled through the CHESS system.

#### **Operating Procedures**

Prior to transacting, the Responsible Entity will provide Authorised Participants with the Authorised Participant Operating Procedures. Authorised Participants should read the Operating Procedures before transacting. The Operating Procedures include the following important information. Please note the information below only relates to Authorised Participants:

- the cut-off time for requests to create or redeem units in the Fund,
- Business Days the Fund is open for unit creation and redemption requests,
- settlement timeframes for requests to create and redeem units in the Fund,
- minimum unit creation and redemption sizes (note there is a minimum creation unit size for Cash Transactions by Authorised Participants and buy-sell spreads may apply when Authorised Participants create or redeem units in the Fund), and
- details on how additional requests to create or redeem units in the Fund can be made.

The Operating Procedures may be updated at any time and the Responsible entity will provide notification and a copy of the Operating Procedures to all Authorised Participants. Authorised Participants can also request a copy of the most recent Operating Procedures by contacting the Investment Manager on 1300 043 529.

#### **Applications and withdrawals**

An Authorised Participant may only with a cash application or withdrawal pursuant to the Authorised Participant Agreement and Operating Procedures.

A cash application involves payment to the Registry Responsible Entity or custodian by an Authorised Participant of cash in return for the issue of units by the Responsible Entity to the Authorised Participant.

A cash withdrawal involves delivery of units by an Authorised Participant to the Responsible Entity or custodian in return for the payment of cash proceeds by the Responsible Entity to the Authorised Participant.

Only whole units in the Fund will be issued. Accordingly, applications will be rounded up to the next whole unit. The Authorised Participant must transfer to the Fund the corresponding cash amount for the whole number of units, in return for which we will issue the Authorised Participant with that number of units.

#### **Processing of applications and withdrawals**

Application Forms and withdrawal requests received from Authorised Participants on or after the Dealing Deadline on a Business Day, or on a non-Business Day, will be treated as being received on the next Business Day.

The exchange of units for cash consideration will be settled through CHESS. Application Forms and withdrawal requests received from Authorised Participants before the Dealing Deadline on a Business Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day.

Details of the amount payable pursuant to applications, or receivable upon withdrawals, will be notified to the Authorised Participant by the Business Day following the effective date of the application or withdrawal.

An application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new units in its CHESS account in accordance with the standard CHESS settlement period (two Business Days later (T+2) as at the date of this PDS), provided the Authorised Participant has delivered the application consideration by no later than the standard CHESS settlement cut-off time (11:30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant.

Units will generally be issued on the Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant units through CHESS.

An withdrawal request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the withdrawal payment three Business Days later (T+3), provided the Authorised Participant has transferred the units by no later than the standard CHESS settlement cut-off time (11:30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant.



By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and withdrawals of units, which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow the Responsible Entity to cancel an application or withdrawal in certain circumstances and to take certain other action. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

### **Investor withdrawals in special circumstances**

All investors may normally sell their units by trading on the ASX. Investors who are not Authorised Participants will not normally have a right to redeem their units directly with the Fund. However, all investors will have a right to a cash withdrawal and to receive payment within a reasonable time if units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- the Fund is being wound up;
- the Fund is not "liquid" as defined in the Corporations Act; or
- the Responsible Entity has suspended withdrawals in the Fund in accordance with the Constitution.

Investors may redeem in these circumstances by completing the withdrawal request attached to this PDS. They will receive cash in Australian dollars equal to the aggregate Withdrawal Amount for the relevant units. No minimum withdrawal amount will apply.

### **Valuations and pricing**

The amount per unit payable by an Authorised Participant upon an application for units is known as the Issue Price, and is equal to the Net Asset Value per unit.

The amount per unit to which an Authorised Participant (or other investor as described under "Investor withdrawals in special circumstances" above) is entitled on the withdrawal of units is known as the Withdrawal Amount, and is equal to the Net Asset Value per unit. The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the Fund by the number of units on issue in the Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The Withdrawal Amount paid on the withdrawal of units may include a distribution of the distributable income of the Fund.

The Net Asset Value of the Fund is calculated by deducting from the aggregate value of the assets of the Fund all liabilities such as accrued fees and other costs, and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. The Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value the Fund's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them.

## 4. Benefits of investing in the Hejaz Sukuk Active ETF (Managed Fund)

Investing in the Fund offers a number of benefits including that:

- investors are offered a simple way of accessing a diversified portfolio of investments across investment grade, Sharia compliant, Sukuk;
- creating a positive impact that integrates moral values and socio-economic principles through the consideration of Sharia Compliant investment principles in the manner described in Section 8 below. The Fund's goals take into account financial and spiritual need through incorporating Islamic principles that are based on pursuing prosperity without negatively impacting society; and
- the Fund's investment strategy incorporates ethical considerations in accordance with the Ultra-Ethical Code of Governance (UECG) (refer to section 8) which follows the Sharia Ethical Investment Standards set by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) when selecting its investments.

## 5. Risks of managed investment schemes

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

### Market and individual investment risks

Equity and bond markets and investments are generally volatile. The value of your investment in the Fund may fluctuate with the market. In addition, losses for the Fund may also not be linked to the market's overall returns. Such losses can arise for reasons specific to a company (e.g., a change in management) or if the Investment Manager makes investment decisions resulting in poor returns.

### Fund risk

The Fund could terminate. Laws affecting registered managed investment schemes may change in the future, Equity Trustees or the Investment Manager could become insolvent, and the fees and expenses could materially change. Investment in the Fund may give different results than investing directly in securities and instruments because of income or capital gains accrued in the Fund and because of investors redeeming from the Fund.

### Liquidity risk

There may be times when securities may not be readily sold (for example an exchange-imposed limit on price fluctuations on a particular day in both falling and rising market conditions) and this may impact the investment and markets to which the Fund has exposure. If there is an interruption to regular trading in a market generally, or for a particular investment to which the Fund has exposure, there may be delays in processing withdrawal requests. Neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the Fund's investments or of investments in the Fund.

### Contractual risk

The Fund's counterparties may default on a transaction or the Fund's custodian may become insolvent. If this occurs, there may be additional costs or time delays associated with settling a transaction or appointing another custodian. This may have an effect on your ability to invest in, or redeem from, the Fund.

### Geographic risk

The Fund invests in securities in international markets. There are significant risks involved in investing internationally including political and social instability, governmental interference, liquidity risks, currency risks or foreign exchange controls.

### ASX liquidity risk

The liquidity of trading in the units on a ASX may be limited. This may affect an investor's ability to buy or sell units. Investors will not be able to purchase or sell units on a ASX during any period that the ASX suspends trading of units in the Fund.

### iNAV risk

The iNAV published for the Fund is indicative only and might not accurately reflect the underlying value of the Fund. As a consequence, the Fund may be subject to market making risks.

### Benchmark Risk

The Fund is actively managed by the Investment Manager and does not seek to replicate or passively track an index. The investment objective of the Fund is to provide investment returns equal to or in excess of the Benchmark, however the Fund may not achieve its investment objective and actual returns may vary.

### Price of units on the ASX

The price at which the units may trade on a ASX may differ materially from the NAV per unit and the iNAV.

### The Fund may be removed from quotation by the ASX or terminated

ASX imposes certain requirements for the continued quotation of securities, such as the Fund's units, on the ASX under the AQUA Rules. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain quotation on the ASX. In addition, the ASX may change the quotation requirements.

The Responsible Entity may elect, in accordance with the Constitution and Corporations Act, to terminate the Fund for any reason including if units cease to be quoted on the ASX. Information about the AQUA Rules applicable to quotation of units in the Fund on the ASX is set out in Section 10 of this PDS.

### Market making risk

The Responsible Entity has appointed a market maker on behalf of the Fund. The market maker may provide liquidity to investors on the ASX by acting as a buyer and seller of units in the Fund. There is a risk that the market maker may not always be able to make a market in times of, amongst other things, market disruption, system failure, suspension, unusual market conditions and uncertainty about the value of the portfolio. Investors may not be able to buy or sell units on the ASX in such circumstances.

### Material Portfolio Information risk

There is a risk that the bids and offers displayed and the price at which the Fund units trade on ASX may be materially different from the Fund's quoted NAV and iNAV. The bids, offers and trading price are dependent upon a number of factors, including demand for the units in the Fund.

In particular, the market maker will rely upon the Material Portfolio Information which comprises a daily basket of securities selected to track the movements of the Fund as

closely as possible in order to post bids and offers on market. There is a risk that the market value of this basket of securities may deviate from the market value of the Fund. For example, this deviation may arise due to circumstances in which it is difficult for the fair value of assets to be determined such as volatile market conditions or where assets are not regularly or easily traded or where the Fund holds securities that have been suspended or are not traded on a recognised exchange.

#### **Derivatives risk**

The Fund may invest in over the counter currency forwards or swaps to manage foreign exchange risk. Trading in derivatives exposes the Fund to additional risks - for example it may not be possible to readily liquidate over the counter derivatives given the absence of a market, changes in derivative values may not correlate perfectly with the underlying assets, and unexpected movements in market conditions or exchange rates may cause losses.

#### **Sukuk investment risk**

The value of Sukuk investments is subject to market risks as the value of the investment may fluctuate due to changes in market conditions. The value of Sukuk is primarily influenced by interest rate fluctuations in capital markets and as a result the Fund is subject to macroeconomic volatility. The value and volatility of Sukuk investments is influenced by the term or residual time to maturity of the Sukuk, with longer-term Sukuk generally having higher price risks. However, shorter-term Sukuk may also have lower returns and involve higher re-investment costs due to more frequent security portfolio due dates. The risks of specific Sukuk instruments are also dependent on whether they are issued by corporate, sovereign, or supranational entities, and the constraints, market conditions and payment obligations of the issuing entity. More general risks of Sukuk investment include the performance of underlying assets, the credit rating of issuers and risk of default, liquidity, regulatory changes, and market and currency fluctuations.

#### **Sharia Compliant investment style and approach**

Applying Sharia Compliant criteria to the investment process may exclude securities of certain issuers for non-financial reasons and therefore, some market opportunities available to funds that do not use Sharia Compliant criteria may be unavailable for the Fund, and the Fund's performance may at times be better or worse than the performance of comparable funds that do not use Sharia Compliant criteria. The selection of assets may in part rely on an impact approach, Sharia Compliant scoring process or ban lists that rely partially on third party data.

#### **Emerging markets risk**

All investments issued or domiciled in different nations and denominated in different currencies involve risks specific to national, regional and global markets. The Fund invests in securities in emerging markets, where many Sukuks are

issued or domiciled. Investing in emerging markets generally involves certain risks which can have adverse effects on portfolio holdings, such as political instability, currency fluctuations, market volatility and legal or regulatory restrictions.

#### **Currency risks**

Fluctuations in exchange rates may significantly influence the returns of the Fund's global investments. As a result, significant changes in exchange rates could impact the overall returns of the Fund. The Investment Manager proposes to use foreign exchange contracts to reduce foreign currency exposure but this will not completely eliminate the exposure to foreign currency movements. In addition, the use of foreign exchange contracts to reduce foreign currency exposure can eliminate some or all of the benefit of an increase in the value of a foreign currency versus the Australian dollar.

#### **Pandemic and other unforeseen event risk**

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances, the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

#### **Related party transactions and conflicts of interest**

The Responsible Entity, the Investment Manager and their Related Entities are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund.

The Fund is also entitled to invest in the Investment Manager's Related Entities from time to time. However, neither the Investment Manager nor the Responsible Entity guarantees this outcome.

Investor approval of these transactions is not required as such transactions will be on arm's length commercial terms. The Responsible Entity and its Related Entities are also permitted to hold Units in any capacity.

Related Entity transactions carry a risk that they could be assessed and reviewed less vigorously than transactions with other parties. The Responsible Entity and the Investment Manager have policies in guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of Related Entity transactions. Related Entity transactions are reviewed, approved and monitored on an ongoing basis.

## 6. How we invest your money

**Warning:** When choosing to invest in the Fund or an option of the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

### Investment objective

To achieve a total return in excess of the Benchmark (Bloomberg Global Aggregate USD Sukuk Index) over a rolling 5 to 7-year timeframe through exposure to a diversified portfolio of Sharia Compliant Sukuk investments selected via the application of the UECG as defined below.

The investment objective is expressed before the deduction of management fees and expense recoveries. See Section 9 for details on fees and costs. The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over the medium to long term, assuming financial markets remain relatively stable during that time. The Fund may not achieve its investment objective and returns are not guaranteed.

### Benchmark

Bloomberg Global Aggregate USD Sukuk Index

### Minimum suggested time frame

Minimum 3 years

### Risk level

Medium

### Investor suitability

The Fund is generally suitable for investors seeking long term capital growth potential who are comfortable with some risk of market fluctuations and potential capital loss. The Fund may experience some degree of volatility in the returns in the short term, however, is expected to be less volatile over the long term. The Investment Manager considers that this in part may in part be due to the Sharia Compliant overlays implemented by the Investment Manager, as described in detail below in this section.

### Investment style and approach

The Fund's investment approach is to research, screen, and then select quality, investment grade investments, across listed Sharia compliant Sukuk.

The Fund applies a rigorous and robust investment approach which encompasses an analysis of both quantitative and qualitative factors. It adopts an adaptive investment style by considering investments in terms of value, quality, and growth, across the short, medium and long term.

The Fund applies an ethical overlay, described further below in the section entitled 'Ultra-Ethical Code of Governance', to pursue compliance with Sharia ethical investment principles. These principles create negative screens which exclude certain investment assets based upon the nature of their business activities or their failure to meet financial thresholds relating to debt, liquidity, and income.

The Fund will only invest in instruments that are included in the Bloomberg Global Aggregate USD Sukuk Index, which is comprised exclusively of bonds that are Sukuk. Such instruments will be limited to those which satisfy the generally accepted definition and characteristics of a bond under Australian law, while meeting applicable Islamic finance instruments (see 'Ultra-Ethical Code of Governance (UECG)').

### Asset allocation

The Fund is a diversified fund with the following asset allocation ranges:

Asset Class	% Range	% Benchmark Weighting
Global Bonds (Sukuk)	20-90	100%
Cash	10-80	0%
TOTAL		100

The Fund may maintain an exposure to the asset allocation via investments in underlying funds that are quoted on a recognised securities exchange.

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

EQT has delegated investment decisions including ESG considerations to the Investment Manager. The Investment Manager does not take into account labour standards or environmental considerations for the purposes of selecting, retaining or realising investments. The Investment Manager follows an Ultra-Ethical Code of Governance for the purposes of selecting, retaining or realising investments of the Fund, and does take social and ethical considerations into account for the purposes of selecting, retaining or realising investments to the extent prescribed by the UECG. See below in this Section 6 for information about the UECG and its impact on the Fund's investment portfolio.

### Ultra-Ethical Code of Governance (UECG)

#### 1. Introduction

The Ultra-Ethical Code of Governance (UECG) outlines the Sharia Ethical Standards that the Investment Manager will abide by, in relation to the Fund, the Sharia Ethical Screens that will be applied during the investment selection process and the authorities that will govern the Fund from a Sharia ethical perspective. The UECG aligns with the requirements of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

#### 1.1 Purpose

The purpose of the UECG is to ensure that the corporate governance and policy guidance applied in the investment management of the Fund is consistent with Sharia Ethical Funds Management. This is done to increase investor confidence and align with investor values.

#### 2. Sharia Ethical Standards Board

The UECG will follow the Sharia Ethical Standards set by AAOIFI. The Sharia Ethical Standards will be stipulated by an independent Sharia Ethical Standards Board that provides Sharia standards for Islamic investment principles.

#### 2.1 Selection of Sharia Ethical Standards Board

The Sharia Ethical Standards Board (SESB) will be selected by the Investment Manager. This selection will be made in consultation with Investment Manager's Sharia Compliance Board, being the Board explained in subsection 2.2 below.

As at the date of this PDS, the Investment Manager, in consultation with the Sharia Compliance Board, has selected the AAOIFI as the SESB with respect to the Fund. The board of the AAOIFI comprises 21 members, that the Investment Manager considers to be appropriately qualified and experienced experts in Islamic Finance.



## 2.2 Role of the SESB

The SESB is charged with the responsibility of preparing a set of standardised and Sharia Ethical Screens that are compatible with Islamic finance principles and are to be applied when filtering investments to create a Sharia Compliant investment portfolio.

### 3. Sharia Ethical Screening of Investments

The UECG requires that all prospective investments must have Sharia Ethical Screening applied to them before they can be incorporated into the investment portfolio for the Fund. An investment must pass all the Sharia Ethical Screens for it to be added to the portfolio. The Investment Manager is charged with the responsibility of ensuring that investment screening is undertaken in accordance with the requirements set by the SESB. Accordingly, the methodology for taking ethical considerations into account is a set of negative screens where the Fund does not invest in certain companies whose revenue exceeds a specified threshold derived from certain named activities (as explained further in subsection 4 below). As the SESB is independent of the Fund, the Investment Manager is not aware of any specific measures consistently used by the SESB to determine how far the above objectives are met.

No weighting system is used to give weight to the social or ethical considerations.

#### 3.1 Initial and ongoing screening

The Investment Manager is charged with the responsibility of ensuring that Sharia Ethical Screening is conducted as frequently as required by the Investment Manager's Sharia Compliance Board (refer to section 4 below).

#### 3.2 Delegation of Screening responsibility

The Investment Manager may delegate the responsibility of conducting the Sharia Ethical Screening of investments by way of contracting a third-party to provide this service or an individual to carry out this task. Delegation of this authority must be conducted in consultation with the Fund's Sharia Compliance Board. Any external provider must undertake investment screening in accordance with the requirements of the SESB.

### 4. Sharia Ethical Screens

The Investment Manager, in consultation with the Sharia Compliance Board, will ensure application of the criteria stipulated by the SESB to complete the Sharia Ethical Screening process.

The Sharia Ethical Screening process involves negative screening of investments in certain companies that are directly active in and derive more than 5% of their gross revenue from, industries that are determined by the SESB to be "Excluded Industries" such as alcohol, military, Riba/interest, pig products, media/adult, tobacco, gambling and conventional financial institutions (**Excluded Industries**) - that is, companies that manufacture or distribute these products or, where the Excluded Industry is service based, deliver these services.

The Sharia Ethical Screening does not exclude companies that are indirectly associated with one or more of the Excluded Industries (for example companies engaged in transportation or retail or distribution).

For entities with subsidiaries, the Sharia Ethical Screening process is carried out at a consolidated group level only.

The Sharia Ethical Screening process is applied to all prospective investments.

### 5. Sharia Compliance Board

An independent Sharia Compliance Board, appointed by the Investment Manager, will provide Sharia ethical governance advice to the Investment Manager and Responsible Entity, and Sharia Certification in relation to the Fund. The Sharia Compliance Board oversees the activities undertaken by the Investment Manager in accordance with the standards set by AAOIFI.

#### 5.1 Role of the Sharia Compliance Board

The primary roles of the Sharia Compliance Board in relation to the Fund will be to:

- Undertake an annual Sharia audit of the Fund to ensure compliance with guidelines and Sharia Ethical Screens as required by the SESB
- Provide Sharia Certification to the Fund upon completion of each successful audit
- Provide guidance on the frequency of Sharia screening (noting that in addition to the annual audit, the Investment Manager conducts Sharia screening on a weekly basis and may change this frequency in future in line with the guidance of the Sharia Compliance Board)
- Provide guidance to the Investment Manager in relation to the Fund on its wider social role

If an investment is found to be non-Sharia Compliant, the Investment Manager is required to exit the investment within 3 months of the date on which it was found to be non-Sharia Compliant.

##### 5.1.1 Supporting the Sharia Compliance Board

The Investment Manager must ensure that the Sharia Compliance Board has a high level of autonomy and independence in conducting their activities, protecting them from commercial pressures.

The Investment Manager must also ensure that the Sharia Compliance Board is well resourced to ensure full compliance with both legal requirements and Sharia Ethical Standards.

### Fund performance

Up to date information on the performance of the Fund can be obtained from <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds>. A free of charge paper copy of the information will also be available on request.



## 7. 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 investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

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

### Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

### Fees and Costs Summary

Hejaz Sukuk Active ETF (Managed Fund)		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs</i> The fees and costs for managing your investment	1.33% p.a. of the NAV of the Fund <sup>2</sup>	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. <sup>2</sup>  The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.15% p.a. of the NAV of the Fund <sup>2</sup>	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Not applicable	Not applicable.

Hejaz Sukuk Active ETF (Managed Fund)		
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Not applicable	Not applicable
<b>Exit fee</b> The fee to close your investment	Not applicable	Not applicable
<b>Switching fee</b> The fee for changing investment options	Not applicable	Not applicable

<sup>1</sup> All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how the relevant fees and costs are calculated.

<sup>2</sup> The indirect costs component of management fees and costs and transaction costs is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. Please see "Additional Explanation of Fees and Costs" below.

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

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

EXAMPLE – Hejaz Sukuk Active ETF (Managed Fund)		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
<b>Contribution Fees</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>Plus Management fees and costs</b>	1.33% p.a.	<b>And</b> , for every \$50,000 you have in the Hejaz Sukuk Active ETF (Managed Fund) you will be charged or have deducted from your investment \$665 each year
<b>Plus Performance fees</b>	Not applicable	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year
<b>Plus Transaction costs</b>	0.15% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$75 in transaction costs
<b>Equals Cost of Hejaz Sukuk Active ETF (Managed Fund)</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 and costs of: \$740* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as advisor and broker fees.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

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

ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table is based on a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12-month period. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

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

## **Additional Explanation of Fees and Costs**

### **Management fees and costs**

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 1.33% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto) where they are not otherwise required to be disclosed to investors under law.

### **Transaction costs**

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.15% p.a. of the NAV of the Fund, which is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period.

In relation to the costs that have been estimated, they have been estimated on the basis of quotes obtained from vendors.

However, actual transaction costs for future years may differ.

The price at which investors buy and sell units on the ASX may vary from the prevailing iNAV. The prices on the ASX are determined in the secondary market by market participants. The difference, or spread, from the prevailing iNAV may represent a cost, or possible benefit, of an investment in the Quoted Class. Where units in the Quoted Class are bought and sold on the ASX, the price at which an investor buys or sells units will generally include an allowance to cover transaction costs but will also reflect market conditions and supply and demand for units during a Business Day.

### **Can the fees change?**

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 2.00% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

### **Payments to IDPS Operators**

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

### **Differential fees**

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Wholesale Clients. Please contact the Investment Manager on 1300 043 529 for further information.

### **Taxation**

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

## 8. How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled or, where the Fund has made a choice to be an Attribution Managed Investment Trust ("AMIT") and the choice is effective for the income year, are attributed to them.

### Taxation

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

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

### General

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

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

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

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

should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

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

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

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

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

**Fair and reasonable attribution:** Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets.

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

**Cost base adjustments:** Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustments will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement ("AMMA").

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

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

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



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

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

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

## **Controlled Foreign Company ("CFC") Provisions**

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

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

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

## **Taxation Reform**

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

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

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

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

## **GST**

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

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

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

## **Australian Taxation of Australian Resident Investors**

### *Distributions*

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

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

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

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

### *Foreign Income*

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against

the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

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

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

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

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

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

## **Australian Taxation of Non-Resident Investors**

### *Tax on Income*

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

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

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

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

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



## 9. Other information

### Related Entity transactions

The Responsible Entity, the Investment Manager and their Related Entities are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund.

The Fund is entitled to invest in the Investment Manager's Related Entities from time to time. Details of such transactions will be notified to investors. However, neither the Investment Manager nor the Trustee guarantees this outcome.

Investor approval of the above transactions is not required as such transactions will be on arm's length commercial terms. The Trustee and its Related Entities are also permitted to hold Units in any capacity.

### Consent

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

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

The Investment Manager has not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. None of the Investment Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

### Who can invest?

Only Authorised Participants can invest directly under this PDS.

Investors investing through an IDPS should use the application form provided by their IDPS Operator.

### Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. Indirect Investors should note that they are directing their IDPS Operator to arrange for their money to be invested in the Fund on their behalf. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund and you will not hold units. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf according to the arrangement governing the IDPS.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Indirect Investors should carefully read the IDPS Guide before investing in the Fund, for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to the IDPS. Where the IDPS permits investment in the

Fund, information regarding how Indirect Investors can indirectly invest in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by Equity Trustees. Please ask your financial adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

### Your privacy

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

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

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

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

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

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

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

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

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

### **The Constitution**

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

### **Indemnity**

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

### **Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")**

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

### **Information on underlying investments**

Information regarding the underlying investments of the Fund, including full details of the Fund's portfolio holdings will be disclosed to the market on a quarterly basis within two months of the end of each calendar quarter.

### **Foreign Account Tax Compliance Act ("FATCA")**

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("US"), which requires all Australian financial institutions to comply with the FATCA Act enacted by the US in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify US residents and US controlling persons that invest in assets through non-US entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the US Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of US income or gross proceeds from the sale of certain US investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

### **ASIC relief**

The Responsible Entity relies on ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 which exempts it from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporation Act as if the Fund were an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund were an unlisted disclosing entity.

### **NAV for the Fund**

The latest available NAV per Unit will be published daily on the Responsible Entity's website at [www.hejazfs.com.au](http://www.hejazfs.com.au) prior to the commencement of the ASX Trading Day.

### **Common Reporting Standard ("CRS")**

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

### **ASX conditions of admission**

As part of the Fund's conditions of admission to the ASX under the AQUA Rules, the Responsible Entity has agreed to:

- disclose the Fund's portfolio holdings on a quarterly basis within two months of the end of each calendar quarter;
- provide liquidity to investors by acting as a buyer and seller of units as described; and
- provide the iNAV as described in this PDS.
- make the Material Portfolio Information available on a daily basis.

### **Material Portfolio Information**

Equity Trustees will not disclose every portfolio holding and its weighting on a daily basis as this creates an unacceptable risk to the Fund and existing investors through the disclosure of the ongoing investment strategy for the Fund.

The Fund and the market maker have agreement on Material Portfolio Information that will enable the market maker to determine the price at which it buys and sells units on the ASX market. Equity Trustee will disclose the Material Portfolio Information on a daily basis.

The Material Portfolio Information is intended to represent the value of the Fund during the ASX trading day. The market maker creates and redeems units in the Fund with Equity Trustee at prices that are determined by the published NAV of the Fund as at the end of the day. At the date of the PDS, the Material Portfolio Information will comprise a basket of the top 10 securities in the portfolio equally weighted. Equity Trustees will monitor the Material Portfolio Information on a daily basis and any changes to the Material Portfolio Information will be made available at [www.hejazfs.com.au](http://www.hejazfs.com.au).

The NAV is based on the value of every underlying asset in the Fund. This means the market maker has a strong incentive to ensure there is minimal or no difference between the price at which it buys and sells units based on the Material Portfolio Information and the price of units created or redeemed based on the NAV of the Fund. However, there is a risk to transacting investors that unit prices determined by the Material Portfolio Information during the trading day will not accurately represent the Fund's value. This risk could arise due to, for example,

market volatility or stale prices in the portfolio holdings but is ameliorated by the publication of the iNAV.

### **Reports**

Investors will be provided with the following reports:

- application and withdrawal confirmation statements;
- transaction statements; and
- (where applicable), distribution and tax statements.

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

### **Quoting of Units**

The Responsible Entity has applied to ASX for units in the Fund to be quoted and traded on the ASX AQUA Platform.

### **Cooling off period**

Investors do not have cooling-off rights in respect of units in the Fund (regardless of whether they were purchased on the ASX or applied for directly).

### **Complaints resolution**

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

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

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

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

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

Contact details are:

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

Phone: 1800 931 678

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

Post: GPO Box 3, Melbourne VIC 3001

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

## 10. About the AQUA Rules and CHES

### AQUA Rules framework

The Units are admitted to trading status on the ASX and are quoted under the AQUA Rules framework. The AQUA Rules are accessible at [www.asx.com.au](http://www.asx.com.au).

The following table sets out the key differences between the ASX Listing Rules and the AQUA Rules (noting that it is the AQUA Rules that will apply to the listing of the Units on the ASX).

Requirement	ASX Rules	AQUA Rules
Continuous disclosure	Issuers <b>are subject</b> to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>The Responsible Entity will comply with the disclosure requirements in section 675 of the Corporations Act. This means that the Responsible Entity will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended).</p> <p>The Responsible Entity will publish such information on the ASX announcements platform and its website at <a href="http://www.eqt.com.au/insto">www.eqt.com.au/insto</a> at the same time as it is disclosed to ASIC.</p> <p>Under AQUA Rule 10A.4, the Responsible Entity must disclose:</p> <ul style="list-style-type: none"> <li>• information about the NAV of the Fund's underlying investments daily;</li> <li>• information about withdrawals from the Fund;</li> <li>• information about distributions paid in relation to the Fund;</li> <li>• any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and</li> <li>• any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules.</li> </ul> <p>In addition, under the AQUA Rules the Responsible Entity must immediately notify the ASX of any information the non-disclosure of which may lead to the establishment of a false market in the Units or which would be likely to materially affect the price of the Units.</p>

Periodic disclosure	Issuers <b>are required</b> to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	Issuers of products quoted under the AQUA Rules <b>are not required</b> to disclose half-yearly or annual financial information or reports to the ASX announcements platform.  The Responsible Entity is required to lodge financial information and reports in respect of the Fund with ASIC under Chapter 2M of the Corporations Act.
Corporate governance	Listed companies and listed managed investment schemes <b>are subject</b> to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	Although the Units are quoted under the AQUA Rules, neither the Fund nor the Responsible Entity itself is listed and they are therefore <b>not subject</b> to certain corporate governance requirements.  The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act and section 601FM of the Corporations Act including that the Responsible Entity may be removed by an extraordinary resolution of members on which the Responsible Entity would not be entitled to vote.
Related Party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules <b>does not apply</b> to AQUA Rules quoted products.  The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the AQUA Rules are <b>not subject</b> to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act.  An auditor has been appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Fund.

## About CHES

The Responsible Entity participates in the CHES. CHES is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHES on behalf of the Responsible Entity.

The Responsible Entity will not issue investors with certificates in respect of their Units. Instead, when investors purchase Units on the ASX they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the "Holder Identification Number" or "Shareholder Reference Number" allocated by CHES.

Subject to ASX Operating Rules and the ASX Listing Rules, the Responsible Entity may decline to register a purchaser of a Unit or Units.



## 11. Glossary

### **AFSL**

Australian Financial Services Licence.

### **Application Form**

The Application Form that accompanies the PDS.

### **AQUA Rules**

The rules for trading under the AQUA framework from time to time.

### **ASX**

Australian Securities Exchange.

### **ASX Listing Rules**

The listing rules of the ASX from time to time.

### **ASX Operating Rules**

The operating rules of the ASX from time to time.

### **ASX Trading Day**

The day and time during which shares are traded on the ASX.

### **ATO**

Australian Taxation Office.

### **AUSTRAC**

Australian Transaction Reports and Analysis Centre.

### **Authorised Participant**

A financial institution which is a trading participant under the ASX Operating Rules (or which has engaged a trading participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity.

### **Authorised Participant Agreement**

An agreement between the Responsible Entity and an Authorised Participant in relation to unit applications and withdrawals.

### **Benchmark**

Bloomberg Global Aggregate USD Sukuk Index

### **Business Day**

A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Sydney, the city in which the administrator performs such functions.

### **Buy/Sell Spread**

The difference between the application price and withdrawal price of Units, which reflects the estimated transaction costs associated with buying or selling portfolio assets, when investors invest in or withdraw from the Fund.

**Cash**  
With reference to all application monies, redemption proceeds and distribution proceeds means funds transferred via direct debit/ETFs.

### **Constitution**

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time.

### **Corporations Act**

Corporations Act 2001 (Cth)

### **Creation Unit**

A particular number of units of the Fund, as determined by the Responsible Entity from time to time and notified to Authorised Participants.

### **Custodian**

Apex Fund Services Pty Ltd ("Apex")

### **Dealing Deadline**

For an in-kind application/withdrawal 4:00 pm, and for a cash application/withdrawal (if agreed to by the Responsible Entity) 2:00 pm, Sydney time on each Business Day (or such other time advised by the Responsible Entity to Authorised Participants), being the time by which an Application/withdrawal request must be received by the Responsible Entity to be processed for that Business Day.

### **Derivative**

A financial contract whose value is based on, or derived from, an asset class such as shares, interest rates, currencies or currency exchange rates and commodities. Common derivatives include options, futures and forward exchange contracts.

### **Equity Trustees**

Equity Trusteed Limited (ABN 46 004 031 298) who possess an AFSL No. 240975.

### **Gross Asset Value (GAV)**

In relation to the Fund at a Valuation Time, the sum of the value of the assets.

### **GST**

Goods and Services Tax

### **HIN**

Holder Identification Number

### **IDPS**

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

### **IDPS Operator**

The entity responsible for operating an IDPS.

### **IDPS Guide**

Investor-Directed Portfolio Service guide.

### **iNAV**

Indicative NAV per Unit.

### **Indirect Investors**

Individuals who invest in the Fund through an IDPS.

### **Issue Price**

The Net Asset Value divided by the number of units on issue in the relevant Fund.

### **Net Asset Value (NAV)**

The value of the assets of the Fund less the value of the liabilities of that Fund.

### **Related Entity**

Has the meaning given in the Corporations Act.

### **Retail Client**

Persons or entities defined as such under section 761G of the Corporations Act.



**Riba**

Riba is an Arabic word meaning "to increase" or "to exceed".

**Sharia Certification**

Written approval by a Sharia Board confirming that a matter is Sharia compliant.

**Sharia Compliant**

Structured in accordance with Islamic rules.

**Sharia Ethical Funds Management**

Investment into portfolios comprising only Sharia compliant assets and being managed in a Sharia compliant manner.

**Sharia Ethical Screen**

A series of filters applied to an investment asset to determine whether it meets Sharia Ethical Standards.

**Sharia Ethical Standards**

Investment principles which specify what constitutes a Sharia compliant investment.

**SRN**

Securityholder Reference Number

**Sukuk**

Sharia Compliant financial products representing a share in an underlying asset of project and characterised as bonds for the purposes of Australian law.

**Unit or units**

The securities on offer under this PDS

**US Person**

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

(a) any citizen of, or natural person resident in, the US, its territories or possessions; or

(b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c) any agency or branch of a foreign entity located in the US; or

(d) a pension plan primarily for US employees of a US Person; or

(e) a US collective investment vehicle unless not offered to US Persons; or

(f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

**Valuation Time**

A time at which the Responsible Entity calculates the Net Asset Value.

**We, us**

Refers to Equity Trustees, except where expressly stated otherwise.

**Wholesale Client**

Persons or entities defined as such under section 761G of the Corporations Act.

**Withdrawal Amount**

The Net Asset Value divided by the number of units on issue in the relevant Fund.