

# **Terra Capital Natural Resources Fund**

ARSN 624 739 493

Product APIR Code TER0001AU

## **Reference Guide**

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### **Contact details**

If you have any questions or would like more information about the Fund, please  
contact the Administrator,

Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL No 303253

Level 1, 51-57 Pitt Street, Sydney, NSW 2000

Telephone +61 2 9247 3326

Fax +61 2 9251 3525

Email [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)

<b>1. ABOUT EVOLUTION .....</b>	<b>3</b>
RIGHTS OF EVOLUTION .....	3
RETIREMENT OF EVOLUTION.....	3
CONSENTS .....	3
APPOINTMENT AND TERMINATION OF THE INVESTMENT MANAGER.....	3
<b>2. HOW THE TERRA CAPITAL NATURAL RESOURCES FUND WORKS.....</b>	<b>4</b>
YOUR INTERESTS .....	4
HOW UNIT PRICES ARE CALCULATED .....	4
DISTRIBUTIONS .....	4
STAGGERING OR FREEZING OF WITHDRAWALS .....	5
ANTI-MONEY LAUNDERING REQUIREMENTS .....	5
PRIVACY .....	6
<b>3. BENEFITS OF INVESTING IN THE TERRA CAPITAL NATURAL RESOURCES FUND .....</b>	<b>7</b>
RIGHTS OF UNIT HOLDERS .....	7
TERM OF THE FUND.....	8
<b>4. RISKS OF MANAGED INVESTMENT SCHEMES.....</b>	<b>8</b>
<b>5. HOW WE INVEST YOUR MONEY .....</b>	<b>8</b>
<b>6. FEES AND COSTS .....</b>	<b>9</b>
MAXIMUM COSTS .....	9
INDIRECT COSTS.....	10
ABNORMAL EXPENSES.....	10
WHOLESALE INVESTORS AND SERVICE PROVIDERS .....	10
RELATED PARTY TRANSACTIONS .....	10
<b>7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED .....</b>	<b>10</b>
AUSTRALIAN TAXATION .....	10
THE FUND .....	10
DISTRIBUTIONS .....	11
DISPOSAL OR WITHDRAWAL OF UNITS .....	11
ATTRIBUTION MANAGED INVESTMENT TRUST.....	11
TAX FILE NUMBER .....	12
GST .....	12
FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS) OBLIGATIONS.....	12
<b>8. HOW TO APPLY .....</b>	<b>13</b>

<b>FACSIMILES .....</b>	<b>13</b>
<b>ELECTRONIC INSTRUCTIONS.....</b>	<b>13</b>
<b>DEFINITIONS AND INTERPRETATION .....</b>	<b>14</b>

# 1. ABOUT EVOLUTION

## RIGHTS OF EVOLUTION

Evolution is the responsible entity of the Fund. Evolution:

- may change the terms and conditions set out in the PDS or this Reference Guide;
- may appoint, and rely on the advice of agents, investment managers, advisers, brokers or other contractors and will not be liable for their acts or omissions, provided it exercises care in their selection;
- is not liable for loss to Unit Holders, except to the extent the loss is caused by Evolutions failure to properly perform their duties as Responsible Entity;
- are indemnified from the Fund for any liability incurred by it in properly performing its duties for the Fund when acting in good faith and without negligence;
- is not liable to you to any greater extent than the Assets held in the Fund, subject to the Corporations Act;
- may amend the Constitution, without the approval of Unit Holders, if the proposed change is not adverse to Unit Holders' rights.

## RETIREMENT OF EVOLUTION

Evolution may retire as Responsible Entity and may appoint a new responsible entity in accordance with the Corporations Act and the requirements of the investment management agreement entered into between the Responsible Entity and the Investment Manager.

## CONSENTS

The Investment Manager has given and, at the date of the PDS, has not withdrawn, its written consent to be named in the PDS as the investment manager of the Fund, and to the inclusion of the statements made about it and the Fund which are attributed to it. The Investment Manager does not guarantee the repayment of capital or any particular rate of capital or income return.

The Custodian has given, and as of the date of the PDS, not withdrawn its consent to be named in the PDS as custodian of the Fund in the form and context in which it is named. The Custodian does not make, or purport to make, any statement that is included in the PDS and there is no statement in the PDS which is based on any statement by the Custodian. To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any part of the PDS other than the references to its name. The Custodian does not guarantee the repayment of capital or any particular rate of capital or income return.

The Administrator has given, and as of the date of the PDS, has not withdrawn, its written consent to be named in the PDS as the Administrator of the Fund, and to the inclusion of the statements made about it or the Fund which are attributed to it, in the form and context in which they appear. The Administrator has not otherwise been involved in the preparation of the PDS and has not caused or otherwise authorised the issue of the PDS. The Administrator and its affiliates, employees and officers do not accept any responsibility arising in any way for errors or omissions from the PDS, other than in relation to the statements for which it has provided its consent.

## APPOINTMENT AND TERMINATION OF THE INVESTMENT MANAGER

Under the Investment Management Agreement, Evolution may terminate the appointment of the Investment Manager in certain circumstances, including, for example if a receiver or manager or similar is appointed to the Investment Manager, or it ceases to carry on business as an investment manager. Otherwise, it is required to convene a Unit Holder meeting and obtain the approval of a special resolution should it seek to terminate the appointment of the Investment Manager.

## 2. HOW THE TERRA CAPITAL NATURAL RESOURCES FUND WORKS

### YOUR INTERESTS

Evolution may accept or decline all or part of an application without giving any reason. Application money is deposited into a non-interest bearing account, pending its processing.

The Fund's Assets and liabilities are usually valued monthly as of the last Business Day of the month. Assets are generally valued at their fair value. Any income entitlements, cash at bank, and any amount of GST recoverable by the Fund from the Australian Taxation Office are also included in Asset values used to calculate the application and withdrawal Unit price.

Generally, for Unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs, indirect costs and any costs you would ordinarily incur when investing in the Fund's underlying Assets.

Evolution has a policy for Unit pricing discretions. The types of discretion we may exercise and when we can exercise our discretion are set out in Evolution's Unit Pricing Policy. The Policy is available by contacting us at no charge. An overview of how Unit prices are calculated is given below.

You may transfer your Units in accordance with the Constitution. Transfers will not be effective until registered by the Administrator. Evolution may refuse to register any transfer of Units and need not provide a reason for doing so.

You may invest indirectly in the Fund as an investor through an IDPS operator who acquires Units in the Fund on your behalf. An indirect investor does not hold Units in the Fund and does not acquire any rights relating to the Fund. The IDPS operator acquires these rights and can exercise, or decline to exercise, rights on your behalf according to the arrangements governing the IDPS. The offer document for an indirect investor's IDPS should have further details. The IDPS operator will provide an indirect investor with all reporting for the Fund. The net performance of an indirect investor's investment in the Fund may be different from the information we publish, due to cash flows specific to your portfolio and any fees charged by the IDPS operator.

### HOW UNIT PRICES ARE CALCULATED

The Unit Application Price and Withdrawal Price is generally calculated bimonthly as of the last Business Day of the month:

- establishing the Fund Net Value which is generally based on the market value of the Fund's Assets, which includes undistributed income, after deducting liabilities such as fees and expenses and excluding application money for applications that have not been accepted
- dividing the resulting amount by the number of Units in issue
- increasing (or decreasing) the resulting amount per Unit by the buy/sell spread (currently 0.25%)
- rounding the price up (or down) to the nearest 4 decimal points.

We may decide to calculate the Application Price or Withdrawal Price more frequently than monthly. We may also accept an application payment in the form of property and, with your consent, transfer Assets in lieu of cash in satisfaction of a withdrawal request.

Calculation and publication of Unit application (or withdrawal) prices may be delayed around distribution periods.

### DISTRIBUTIONS

Income is distributed to Unit Holders within 15 Business Days after the end of each financial year ended 30 June.

The income of the Fund is paid to Unit Holders in proportion to the number of Units held by the Unit Holder on the last day of a distribution period. As distributions are part of the Unit price, the Unit price normally falls following a distribution. Unit Holders who acquire Units just before a distribution may receive some of their investment back immediately as income, and may need to pay income tax on these amounts, or Unit Holders who dispose of Units just before a distribution may effectively turn income into capital. In certain circumstances, such as where there is a large withdrawal by a Unit Holder, part of the withdrawal proceeds may consist of taxable income, including any taxable gains.

If investing through an IDPS, other conditions may apply and you should consult the IDPS terms and conditions.

## **WITHDRAWALS**

Withdrawal requests are subject to a 30 day notice period. The timing of when you get paid in accordance with a withdrawal request is dependent on when we receive notice of your withdrawal. The following are two examples of how the notice period for withdrawal requests operate:

1. A withdrawal request is received on 5 April. The notice period of the request expires on 5 May. The withdrawal will be processed using the unit price calculated for 31 May. The proceeds of the withdrawal will usually be paid on 15 June (but may be paid anytime up to 21 June).
2. A withdrawal request is received on 31 March. The notice period of the request expires on 30 April. The withdrawal will be processed using the unit price calculated on 30 April. The proceeds of the withdrawal will usually be paid on 15 May (but may be paid anytime up to 21 May).

## **STAGGERING OR FREEZING OF WITHDRAWALS**

Where the Fund is liquid, we are required to process withdrawal requests. Where we receive on any one Withdrawal Date withdrawal requests representing more than 5% of the Units in issue, we may treat the withdrawal requests as 5 separate withdrawal requests and stagger them over the next successive 5 Withdrawal Dates.

Where we determine it is not possible, or in the best interests of Unit Holders due to circumstances outside of our control, we may suspend the issue or withdrawal of Units or the calculation of Application Prices or Withdrawal Prices.

These circumstances include but are not limited to restricted or suspended trading, or extreme price fluctuations, of a Fund Asset.

Where withdrawals are frozen, applications will also be suspended. For withdrawal or application requests lodged during a freeze period, the withdrawal and Application Prices will be those next calculated after the end of the suspension.

## **ANTI-MONEY LAUNDERING REQUIREMENTS**

Evolution is bound by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('**AML Act**') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies. ('**AML Requirements**'). These laws, regulations, rules and policies regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ('**AUSTRAC**'). To comply with the AML Requirements, Evolution is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

We (and the Administrator as our agent) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment.

If there is a delay or failure by the investor to produce this information, we may refuse to accept an application and the application monies relating to the application or may suspend payment of withdrawal proceeds if necessary to comply with AML Requirements. Neither the Responsible Entity or the Administrator nor their delegates are liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any application or payment of withdrawal proceeds.

We have implemented a number of measures and controls to ensure we comply with our obligations under the AML Requirements, including carefully identifying and monitoring Unit Holders. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, neither we, nor the Administrator, are liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- we may from time to time require additional information from you to assist it in this process.

We have certain reporting obligations under the AML Requirements and are prevented from informing you that this reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither we nor the Administrator are liable for any loss you may suffer as a result of our compliance with the AML Requirements.

## **PRIVACY**

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information;
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles ('APPs'), or a registered APP code (if any) that binds us, and how we will deal with such a complaint;
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Our privacy policy is publicly available at our website at [www.evolutiontrustees.com.au](http://www.evolutiontrustees.com.au) or you can obtain a copy free of charge by contacting us.

If you are investing indirectly through an IDPS, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS operator for more information about their privacy policy.

The Custodian and/or Administrator may collect your personal information for primarily the purpose of providing custodial or administrative services to us and for ancillary purposes detailed in Administrator's and Custodian's privacy policy. The Custodian and Administrator may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, us or as otherwise instructed by us. The Custodian and Administrator are also permitted to collect and disclose your personal information when required or authorised to do so by law. The Administrator or Custodian is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Custodian's and Administrator's privacy policy. The Administrator and Custodian's privacy policy contains information about how you may access or correct your personal information held by the Custodian and Administrator and how you may complain about a breach of the APPs. You may obtain a copy of the privacy policy at <https://www.mainstreamgroup.com/mbpo/Privacy-Policy>.

### **3. BENEFITS OF INVESTING IN THE TERRA CAPITAL NATURAL RESOURCES FUND**

#### **RIGHTS OF UNIT HOLDERS**

The Fund was established by the Constitution.

The Constitution, together with the Corporations Act, sets out the legal rights, duties and obligations of the Responsible Entity and Unit Holders and includes the following provisions:

- the rights, interests and liabilities of Unit Holders
- the duties and obligations of the Responsible Entity
- investment, valuation and borrowing powers
- fees and recoverable expenses
- Unit application and withdrawal procedures
- convening and conduct of Unit Holder meetings
- the duration and termination of the Fund
- the right to Fund distributions
- the right to a limitation of liability of Unit Holders to the issue price of Units (however, this limitation has not been tested before superior courts).

If investing through an IDPS, you do not become a Unit Holder in the Fund, the IDPS operator does so on your behalf. Refer to Section 2, Your Interests, for further information.

The Constitution allows for more than one class of Units to be offered to Unit Holders. Currently there is only one class of Units.

We may unilaterally vary the Constitution if the variation does not adversely affect Unit Holders' rights, or otherwise the variation must be approved by 75% of votes cast by Unit Holders in the Fund.

This document contains only a summary of some of these provisions and should be seen as a guide. The Constitution is lodged with ASIC.

You have a right to obtain a copy of the annual financial report most recently lodged with ASIC for the Fund.

The Fund may become a disclosing entity under the Corporations Act and be subject to regular reporting and disclosure obligations. Copies of documents lodged with the ASIC for the Fund may be obtained from, or inspected at, an ASIC office and will be made available to investors at our website [www.evolutiontrustees.com.au](http://www.evolutiontrustees.com.au).

If the Fund is a disclosing entity under the Corporations Act, you have a right to obtain a copy of the following additional documents at no charge to you:

- the most recent annual financial report ('**Annual Report**');
- half-year financial reports lodged with ASIC for the Fund after the lodgment of the Annual Report; and
- any continuous disclosure notices lodged with ASIC.

The above information may at our discretion be provided to you by email or through other electronic means or as required by law.

If the Fund is a disclosing entity, we will disclose information to you which may have a material effect on the price or value of Units or would be likely to influence persons who commonly invest in deciding whether to acquire or dispose of Units. You have a right to obtain a copy of these documents at no charge. Please call the Administrator, on + 61 2 9247 3326 and they will provide you with a copy of the requested document within 5 days or go our website [www.evolutiontrustees.com.au](http://www.evolutiontrustees.com.au).

## **TERM OF THE FUND**

The Fund commenced on the first issue of Units in the Fund. The Fund will terminate on the earlier of:

- the 80th anniversary of the day before the Fund commenced
- the date on which an event occurs which under the Corporations Act or the Constitution requires the Responsible Entity to wind up the Fund; or
- the date specified by the Responsible Entity in a notice to Unit Holders.

On termination, the Fund will be wound up in an orderly fashion and the net proceeds distributed to Unit Holders according to the Constitution.

## **4. RISKS OF MANAGED INVESTMENT SCHEMES**

All risks are set out in the Product Disclosure Statement.

## **5. HOW WE INVEST YOUR MONEY**

The Investment Manager of the Fund will implement the same strategy over each of the Fund's investments. The Fund will hold listed assets, derivatives of those assets (options/warrants) and Pre-IPO unlisted assets (which can include convertible notes and derivatives, such as options) which are planned to list within a year.

The Fund's investment strategy is built upon four key pillars detailed below which the Investment Manager applies to any investment opportunity it sees. If that company fits the criteria we may look to invest:

1. Fundamentals (Management, Capital Structure, Commodity)
2. Valuation (Can the Fund invest at less than the intrinsic value?)
3. Sentiment (Industry Tailwinds, Peer Performance)
4. Catalyst (What will force the market to realise the value of this company?)

To assess the above criteria, the Investment Manager utilises a number of techniques including:

- Meetings with management and key employees
- Site visits and tours
- Quantitative modelling

- Discussions with suppliers/competitors/industry experts
- The Investment Manager's own Industry-specific research

Throughout the investment process, the Investment Manager creates a specific investment file for each company which contains notes and information to assist making investment decisions. The file holds workings, quantitative analysis and comments on each of the four pillars as well as any other research that assists in making an investment decision.

## 6. FEES AND COSTS

### MAXIMUM COSTS

The costs of the Fund consist of the management costs and other expenses. The management cost includes the fee we charge for overseeing the operations of the Fund and managing the Assets of the Fund.

It also includes the fees of the Investment Manager, Custodian and Administrator. The management costs are calculated and accrued daily and paid monthly in arrears out of the Fund's gross Assets and can be expressed for the Fund as an ICR. The Constitution allows us to charge the amount of the management costs set out in the Constitution. Until further notice we will charge the lower management costs stated in the PDS, rather than the higher management costs set out in the Constitution summarised in the table below. Fees are shown inclusive of the net effects of GST. For further information about tax, refer to Section 7, How managed investment schemes are taxed.

Fee Type	Maximum prescribed in the Constitution	Actual fee charged as ICR*
Responsible Entity Fee	0.08% p.a. for the first \$200,000,000 and 0.07% p.a. for amounts above \$200,000,000 + GST	0.08% p.a of Gross Asset Value inclusive of GST net of RITC
Establishment Fee	\$5,000	No establishment fee charged
Performance Fee	20% of increased Gross Asset Value above 5% benchmark + GST	20.5% of excess returns above 5% net of Management Fee.
Management Fee	2.2% p.a. of Gross Asset Value + GST	1.568% p.a of Gross Asset Value inclusive of GST net of RITC.
Indirect Costs	unlimited	0.523% p.a. of Gross Asset Value inclusive of GST net of RITC.

Transactional and operational costs for the operation of the Fund are reimbursed from the Fund. These costs include (but are not limited to) bank charges, brokerage and custody transaction fees. These expenses are not included in the 1.568% ICR.

If you are investing via an IDPS, fees and expenses applicable to the IDPS (as set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses in the PDS.

## **INDIRECT COSTS**

The Constitution provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the Assets of the Fund and are unlimited.

However, we cap our recovery of ordinary expenses for the Fund at 0.523% inclusive of GST net of RITC per annum of the gross Assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the Assets of the Fund as and when they are incurred. Any expenses more than this cap amount is paid by the Investment Manager personally and not out of the Assets of the Fund.

## **ABNORMAL EXPENSES**

We are entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of Unit holder meetings, defending legal proceedings, special valuation of Assets and the costs of terminating the Fund. These abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any year. If they arise, we may deduct these expenses from the Fund.

## **WHOLESALE INVESTORS AND SERVICE PROVIDERS**

We may negotiate management costs individually with certain wholesale investors (as defined by the Corporations Act 2001). All other fees remain the same. Accordingly, we may waive or rebate some of our fees to these wholesale investors so that they pay reduced fees. This is generally because they invest large amounts of money in the Fund.

We may enter into a variety of arrangements with service providers like IDPS operators that may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. These payments may be one-off or on-going and are paid by us out of our fees and are not an additional cost to Unit Holders.

## **RELATED PARTY TRANSACTIONS**

All related party transactions involving either Evolution or the Investment Manager and their related parties will be conducted in accordance with Evolution's Related Party Transactions Policy.

# **7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED**

## **AUSTRALIAN TAXATION**

The taxation information in this Reference Guide is of a general nature and is current as at the date of this Reference Guide. This information provides a general overview of the tax implications for Australian tax resident Unit Holders that hold their Units on capital account. The application of these laws depend on your individual circumstances.

The following comments should not be regarded as tax advice and it is recommended that you should obtain independent professional tax advice about your specific circumstances. This section applies to Australian resident Unit Holders only.

## **THE FUND**

Under the Fund's Constitution and consistent with the operation of the current tax law as it relates to the taxation of trusts, where Unit Holders are entitled to all of the distributable income from the Fund for a financial year, the Fund itself should not be liable for income tax. However, if for any reason there is distributable income to which no Unit Holder is presently entitled, the Fund will be taxed at the highest marginal tax rate in respect of the taxable income that corresponds to that amount.

## **DISTRIBUTIONS**

Where you are entitled to a share of the Fund's distributable income for an income year, you will be liable to tax on your proportional share of the taxable income of the Fund.

You will be assessed on your proportionate share of the Fund's net taxable income in the financial year in respect of which your entitlement to the distributable income arises even though it may not have been received in that financial year.

As the Fund's investments may include Australian equities, income distributions from the Fund may include an entitlement to franked dividends. Generally, you should include the franked dividends and the franking credits (imputation credits) you receive in your assessable income.

Certain additional requirements, including the 45 day holding period rule may need to be satisfied to obtain franking credits for dividends. Your particular circumstances (and that of the Fund) will be relevant to determine whether you are entitled to any franking credits for your share of the franked dividends.

Any excess imputation credits may be refundable to some Unit Holders, such as individuals and complying superannuation funds.

## **DISPOSAL OR WITHDRAWAL OF UNITS**

You must include any realised capital gain or loss on disposal or withdrawal of your Units (together with any capital gain distributed by the Fund) in the calculation of your net capital gain or loss for an income year. The Fund may determine that some part of the Withdrawal Price of a Unit represents a distribution of income for tax purposes for the financial year. Where the Withdrawal Price includes a distribution of income, any capital gain made will likely be reduced by the taxable income amount included in your assessable income.

A net capital gain will be included in your assessable income. A net capital loss may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income. In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the Units have been held for 12 months or more.

## **ATTRIBUTION MANAGED INVESTMENT TRUST**

The Fund intends to qualify as an eligible Attribution Managed Investment Trust ('AMIT'). When the Fund qualifies, it intends to make an irrevocable election to apply the AMIT tax legislation. The AMIT tax legislation applies an attribution model whereby the trustee attributes amounts of trust components of a particular character to Unit Holders ('members' for the purposes of this section) on a fair and reasonable basis consistent with the operation of the AMIT's constitution.

Amounts related to income and tax offsets of an AMIT, of a particular tax character are attributed to the members of the AMIT on the basis of their determined member components of that tax character. Notably, there are three determined member components of an income character being (a) assessable income; or (b) exempt income; or (c) non-assessable non-exempt income. A separate determined member component exists for tax offsets.

Assessable income includes ordinary and statutory income from all Australian and foreign sources, discount and non-discount capital gains, capital gains from taxable and non-taxable Australian property, dividends, interest, royalties and the gross-up for franking credits.

The sum of all AMIT trust components must equal the AMIT's assessable income for the income year.

Subsequently deductions that relate directly to each type of AMIT income are applied to each specific income type. Any remaining deductions are allocated to the various types of AMIT income "on a reasonable basis".

The effect of the application of deductions results in a calculation of the taxable income for the AMIT for the year of income.

We, as the AMIT trustee, will subsequently determine the “taxable member component” for each Unit Holder member and must provide each member with an AMIT member’ annual statement (**‘AMMA Statement’**) which sets out the various trust characters and amounts allocated to that member in an approved format within 3 months of the AMIT year end. The AMMA Statement must also notify of any adjustments to the member’s cost base in AMIT Units. We, as AMIT trustee, are permitted to issue a revised AMMA Statement within 4 years of the AMIT’s income year to which it relates in the event of required changes as a result of variances identified consistent with the “unders and overs” rules. The member has the ability to dispute the basis of calculation of the determined member components notified on the AMMA Statement. A specific dispute resolution process is provided in the AMIT legislation.

### **TAX FILE NUMBER**

In the Application form investors are asked to provide their tax file number (**‘TFN’**) or Australian Business Number (**‘ABN’**). You may quote your TFN or ABN (if applicable) in relation to your investment in the Fund. It is not an offence to fail to quote a TFN or ABN, but if you do not provide your TFN, ABN or exemption, tax must be withheld from distributions at the highest marginal rate plus Medicare Levy.

### **GST**

Generally, GST is payable by the Fund on fees and any reimbursement of expenses. The Fund may be entitled to claim Input Tax Credits and Reduced Input Tax Credits (**‘RITCs’**) of currently between 55% and 75% of the GST paid in respect of most fees and expense.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS) OBLIGATIONS**

We are required to identify tax residents of countries other than Australia to meet reporting requirements under local and international laws; the FATCA and the Common Reporting Standard (CRS, together the Foreign Tax Reporting Obligations). This may include disclosing information to the ATO, who may in turn report that information to the US Internal Revenue Service or other international tax collection entity.

Failure to comply with these reporting obligations could result in the Fund being subject to US withholding tax on payments of US income or gross proceeds from the sale of particular US securities for FATCA, or for CRS, the amount assessed by the relevant country. However, provided all information requested by us is obtained and provided, these taxes should not apply to the Fund or Unit Holders. We may therefore request that Unit Holders and prospective investors provide certain information in order to comply with these requirements - see section 2.

This information should be updated after an investor becomes a Unit Holder for any change in the Unit Holder’s or any Controlling Person’s foreign tax status. If, after becoming a Unit Holder, information in our possession suggests that the Unit Holder or a Controlling Person of an entity which is a Unit Holder may be a tax resident of a country other than Australia not previously advised to us, the Unit Holder may be contacted to provide further information on the foreign tax status of the Unit Holder and/or the Controlling Person. It is important to note that if the Unit Holder fails to provide this information and the Fund or we as a result becomes subject to this tax, we may seek to recover the amount of the tax from the Unit Holder or redeem the Unit Holder’s Units in accordance with the provisions of the Constitution.

## **8. HOW TO APPLY**

### **FACSIMILES**

By lodging a facsimile withdrawal request, you release, discharge and agree to indemnify us from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request. You also agree that any payment made in accordance with a facsimile withdrawal request is in complete satisfaction of our obligations, notwithstanding any fact or circumstance including that the payment was made without your knowledge or authority. You agree that if the payment is made in accordance with a facsimile withdrawal request, you and any person claiming through or under you shall have no claim against us to the payment.

### **ELECTRONIC INSTRUCTIONS**

If you instruct us by electronic means, such as facsimile or internet, you release us from, and indemnify us against, all losses and liabilities arising from any payment or action we make based on any instruction (even if not genuine) that we receive by an electronic communication bearing your investor code and which appears to indicate to us that the communication has been provided by you. You also agree that neither you nor anyone claiming through you has any claim against us or the Fund for these payments or actions.

## DEFINITIONS AND INTERPRETATION

Any reference to a currency is a reference to Australian dollars.

Any reference to time is a reference to Australian Eastern Standard Time (AEST).

Any reference to “we”, “us” or “our” is a reference to the Responsible Entity.

**Administrator:** Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL 303253.

**AFSL:** Australian Financial Services Licence.

**APIR:** APIR Systems Limited, the industry standard provider of reference data for unlisted financial products.

**Application Form:** the application form for Units in the Fund.

**Application Price:** the price at which Units are issued which is based on the Fund Net Value at the time of application divided by the number of Units on issue and adjusted to include the Transaction Cost.

**ARSN:** Australian Registered Scheme Number.

**Asset:** an investment made by the Fund.

**ATO:** Australian Taxation Office.

**ASX:** Australian Securities Exchange.

**Business Day:** a day on which banks are open for business in Sydney, but excludes Saturday and Sunday.

**Constitution:** the constitution of the Fund which was registered with ASIC on 15 March 2018 as may be amended.

**Controlling Person:** An individual who directly or indirectly own a legal interest in an entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective, such as through voting rights. For a trust, a controlling person includes the settlor, trustee(s), appointer(s), protector(s), beneficiary(ies) or classes of beneficiaries. For an entity other than a trust, it includes persons in equivalent or similar positions.

**Corporations Act:** *Corporations Act 2001* (Cth).

**Custodian:** Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL 303253.

**FATCA:** the US Tax Withholding and Reporting under the *Foreign Account Tax Compliance Act* (Cth) 2010.

**Fund:** Terra Capital Natural Resources Fund ARSN 624 739 493.

**Fund Net Value:** the Fund value less the liabilities of the Fund.

**Fund Value:** the total value of the Assets held by the Fund.

**Gross Asset Value:** means, at any time, the amount determined in accordance with Australian accounting principles to be equal to the total value of the Fund’s assets in accordance with the Fund’s constitution at that time adjusted for such provisions and incremental or decremental adjustments as the auditor of the Fund considers appropriate.

**GST:** the tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**ICR:** the indirect cost ratio, which is a measure of the fees and costs you can expect to pay if you invest in the Fund, being the total of management costs of the fund during a financial year, represented as a percentage, which is not deducted directly from you.

**IDPS:** investor directed portfolio service.

**Investment Management Agreement:** the agreement under which Terra Capital Holdings Pty Ltd is appointed the investment manager of the Fund by the Responsible Entity.

**Investment Manager:** Terra Capital Holdings Pty Ltd ACN 622 649 647.

**IPO:** Initial Public Offering.

**PDS:** the Product Disclosure Statement for the Terra Capital Natural Resources Fund which includes the information in this Reference Guide.

**Quarter:** a three month period commencing on 1 January, 1 April, 1 July or 1 October.

**Responsible Entity:** Evolution Trustees Limited ACN 611 839 519.

**Transaction Cost:** an amount paid into the Fund to cover the costs of buying or selling assets of the Fund. This includes any tax or duty or valuation required for Fund property to effect an acquisition or sale, as well as buy-sell spread.

**Unit:** a fully paid ordinary unit in the Fund.

**Unit Holder:** a person noted on the Unit register as the holder of a unit, including persons jointly registered.

**Withdrawal Date:** the date determined by us with effect from when a Unit is to be redeemed.

**Withdrawal Price:** the price at which units are sold which is based on the Fund Net Value at the time of withdrawal divided by the number of units on issue and decreased by the amount of the Transaction Cost.