



# **IAM LISTED BOND ETF**

## **PRODUCT DISCLOSURE STATEMENT**

7 November 2024

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**Trust:** IAM Listed Bond ETF (ARSN 670 479 320)

**Responsible Entity and Issuer:** Trustees Australia Limited (ABN 63 010 579 058; AFSL 260038)

**Bond Manager:** ETB Pty Ltd (ACN 670 409 462; Corporate Authorised Representative No. 001305688)

**Securities Exchange:** Cboe Australia Pty Ltd (ABN 47129 584 667)

### Details Table:

Units on offer (each an "ETF")				Corresponding Underlying Bonds				
ETF Exchange Ticker	ETF Name	ETF Securities Exchange	ETF ISIN	Underlying Bond Issuer and ASX Reference	Underlying Bond Capital Structure and Coupon Type	Underlying Bond Issue Size	Underlying Bond Annual Coupon Rate^	Underlying Bond Maturity Date
ETB01F	IAM WBC 7.199% 15/11/2038 Fixed to Floating Bond ETF	Cboe	AU0000352148	Westpac Banking Corporation ASX:WBC	Subordinated Unsecured, Fixed-to- Floating Rate	AUD 1,500,000,000	7.19900%	15 November 2038
ETB01L	IAM CBA 6.46% 25/10/2033 Floating Bond ETF	Cboe	AU0000352130	Commonwealth Bank of Australia ASX:CBA	Subordinated, Unsecured, Floating Rate	AUD 700,000,000	3-month BBSW + 2.05000%*	25 October 2033

^ The Annual Coupon Rate for an Underlying Bond is payable in accordance with the Underlying Bond disclosure documents and this PDS. The Underlying Bond Coupon Payments are made to the Trust periodically as disclosed in this PDS. Fees and costs of the Trust quoted in this PDS are deducted from the Underlying Bond Coupon Payments before Distributions are paid to Unitholders.

\* For current 3-month BBSW rates please visit <https://www.asx.com.au/connectivity-and-data/information-services/benchmarks/benchmark-data/bbsw.html>

The indicative annual Distribution rate of each Class of Units or ETF is intended to reflect the coupon rate of the Underlying Bond, minus the fees and costs applicable to the Class of Units or ETF, as outlined in this PDS. Fees and costs applicable to the Class of Units or ETF are calculated based on the NAV of the relevant Class of Units or ETF. The Responsible Entity will publish, via the relevant Securities Exchange Market Announcements Platform, on a daily basis, the most recent closing Net Asset Value of each Class of Units or each ETF and closing price of the Underlying Bonds, and the number of Units issued in each Class of Units or ETF. The Responsible Entity will also publish, via the relevant Securities Exchange Market Announcements Platform and may publish via its website [www.incomeam.com](http://www.incomeam.com), intraday disclosures with respect to material movements in the pricing of the Underlying Bonds. Announcements made by the Responsible Entity are displayed at [https://www.cboe.com/au/equities/issuer\\_announcements/](https://www.cboe.com/au/equities/issuer_announcements/). Continuous disclosure by the Underlying Bond Issuer or parent entities of the Underlying Bond Issuer may be found at <https://www.asx.com.au/about/asx-shareholders/asx-market-announcements>.



# IMPORTANT INFORMATION

## About this PDS

This product disclosure statement ("**PDS**") is issued by Trustees Australia Limited ABN 63 010 579 058; AFSL 260038 ("**Responsible Entity**" or "**Trustees Australia**") as Responsible Entity and Issuer of the IAM Listed Bond ETF (the "**Trust**"). Trustees Australia is a member of the IAM Group, being Income Asset Management Group Limited ACN 010 653 862 (ASX: IAM) and its wholly owned subsidiaries, IAM Capital Markets Ltd ACN 111 273 048 AFSL 283119, IAM Cash Markets Pty Ltd ACN 164 806 357 as corporate authorised representative (no. 001295506) of AFSL 283119, Trustees Australia Limited ACN 010 579 058 AFSL 260038 IAM Funds Pty Ltd ACN 643 600 088 as corporate authorised representative (no. 001296921) of AFSL 260038 and ETB Pty Ltd ACN 670 409 462 as corporate authorised representative (no. 001305688) of AFSL 260038.

This PDS relates to the offer and issue of interests in the Trust ("**Units**" or "**ETFs**") which was established for the purposes of investing in and holding for the benefit of Unitholders, the bonds as outlined on the cover of this PDS ("**Underlying Bonds**"). The information contained in this PDS is a summary of the significant information in relation to the Trust and you should consider that information before making a decision about acquiring an interest in the Trust.

Trustees Australia Limited has appointed ETB Pty Ltd as the securities manager of the Trust ("**Bond Manager**") to provide investment and other services to the Trust, pursuant to an investment management agreement entered between Trustees Australia and ETB Pty Ltd.

## Application for Quotation

A copy of this PDS has been lodged with the Australian Securities and Investments Commission ("**ASIC**") and Cboe Australia Pty Ltd ("**Cboe**" or "**Securities Exchange**"). An application has been made to Cboe, for the respective Units to be quoted for trading on the Securities Exchange. As at the date of this PDS, none of the Units referred to in this PDS are quoted on the Securities Exchange. If the application is approved by Cboe, and the Units are quoted on Cboe, the Units will be able to be traded on Cboe. No representation is made concerning the quotation of the Units on Cboe. Trustees Australia will only accept applications to create Units once the exposure period for the PDS has expired. The exposure period expires 7 days after lodgment of the PDS with ASIC, which may be extended by ASIC for a further 7-day period. ASIC nor Cboe takes any responsibility for the contents of this PDS. The quotation of the Units will be subject to the Securities Exchange Rules, as amended from time to time.

## The Offer

The offer of Units in this PDS is only available to entities which have been approved by the Responsible Entity for the purposes of applying for and redeeming Units ("**Authorised Participant(s)**") and have entered into a relevant Authorised Participant Agreement with the Responsible Entity. Investors who are not Authorised Participants can invest in Units on the Securities Exchange through their stockbroker or licensed financial adviser. The Responsible Entity may, in its sole discretion, refuse to accept any application for Units. If the Responsible Entity rejects an application for Units, the Responsible Entity will return the application money paid or underlying bonds delivered and any applicable fees without interest to applicants within 10 Business Days of the decision to reject the application.

Investments in the Units can only be made in Australia and are subject to the terms and conditions described in this PDS and the Constitution. This PDS is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make the offer or invitation. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States or to, or for the benefit of, U.S. Persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

If you receive this PDS electronically, the Responsible Entity will provide you with a paper copy free of charge on request by contacting the Responsible Entity through the details provided in the section of this PDS titled "Contact Details". If you make this PDS available to others, you must give them the entire electronic file or printout and provide us with any additional documents that we may require from time to time, including identification forms for the purpose of satisfying Australian anti-money laundering legislation.

## No Reliance

The information in this PDS is general information only and does not constitute the provision of financial product advice. The information in this PDS is not, and is not intended to be, personal advice. This PDS has been prepared without considering your investment objectives, financial situation or needs. You should consider whether an investment in Units is appropriate for taking into consideration your personal circumstances. You should obtain independent professional financial, legal and tax advice before making a decision whether to invest in Units. You should refer to the relevant Target Market Determination(s) ("**TMD(s)**") prior to making an investment in the Trust. The TMDs are available to be downloaded from [www.incomeam.com](http://www.incomeam.com).

## No Guarantee

Nothing in this PDS is, or should be construed as, a recommendation by the Responsible Entity, Bond Manager, any other member of the IAM Group or any Underlying Bond Issuer for you to invest in Units. Neither the Responsible Entity, the Bond Manager, any other member of the IAM Group, nor any Underlying Bond Issuer or any of their related entities, associates, agents, directors, officers or employees guarantees the performance of, or any return (including any Distributions or repayment of capital) on, an investment in Units or makes any representation with respect to the income or taxation consequences of an investment in Units. Units carry significant risks, including the risk of loss of some, or all of your principal and will not be suitable for all investors. You should obtain independent professional financial, legal and tax advice before making a decision to invest in Units. An investment in Units is not capital protected and returns are not guaranteed. In fact, you could lose your entire investment. For more information refer to Section 8 "Risks of Investing in Units" of this PDS.

## Information in this PDS

Information in this PDS relating to the Underlying Bond Issuers and the Underlying Bonds has been prepared by the Responsible Entity using publicly available information and information provided by the Underlying Bond Issuers to the Responsible Entity as a wholesale market participant.

## Updates to this PDS

**Information in this PDS is subject to change from time to time. To the extent that any change is not materially adverse to investors, this PDS may be updated by the Responsible Entity posting the updated information on its website at [www.incomeam.com](http://www.incomeam.com). If the change is materially adverse to investors, Trustees Australia will notify affected investors and supplement or replace this PDS.** Any amendments to this PDS will be made in compliance with the Securities Exchange Rules. The Responsible Entity will provide a paper copy of updated information free of charge upon request by contacting the Responsible Entity through the details provided in Section 14 of this PDS titled "Contact Details".

## No cooling-off period

Please note that no cooling-off rights apply in respect of an investment in Units.

## Defined terms

Capitalised terms used in this PDS are defined terms in accordance with Section 15 "Key Terms" of this PDS. References to 'we', 'our' or 'us' throughout this PDS should be read as references to Trustees Australia Limited as the Responsible Entity. All references to dollars or amounts are to Australian dollars.

## CONTENTS

1.	THE OFFER AT A GLANCE .....	5
2.	ABOUT THE OFFER .....	10
3.	ABOUT THE SERVICE PROVIDERS	15
4.	ABOUT CORPORATE BONDS .....	16
5.	ABOUT THE UNDERLYING BONDS	21
6.	ABOUT THE SECURITIES EXCHANGE AND CHESS.....	25
7.	BENEFITS OF INVESTING IN UNITS .....	27
8.	RISKS OF INVESTING IN UNITS.....	28
9.	ISSUE AND REDEMPTION OF UNITS.....	33
10.	FEES AND OTHER COSTS .....	35
11.	CONFLICTS OF INTEREST .....	39
12.	TAXATION .....	42
13.	ADDITIONAL INFORMATION .....	45
14.	CONTACT DETAILS .....	49
15.	KEY TERMS .....	49

## 1. THE OFFER AT A GLANCE

This PDS is an offer of Units, for which an application has been made to the Securities Exchange for quotation and, once quoted, will be able to be traded on the Securities Exchange. The Trust is a registered managed investment scheme under the Corporations Act 2001 (Cth) ("**Corporations Act**"). Units in the Trust are offered in different classes (each a **Class** and together the **Classes**). Each Class offers investors economic exposure to a specific Underlying Bond, and particularly, an opportunity for the investors to choose the Class of Units into which to invest and therefore the Underlying Bond to which they have exposure. ETFs enable investors to diversify their investment portfolio and to possibly create a regular source of income that is generally restricted to institutional and wholesale investors, in Australia.

Each Class of Units is intended to reflect the performance, less fees and costs, of the corresponding Underlying Bond. Each Class will be assigned a name, based on the details of the Underlying Bonds (e.g., issuer name, coupon rate or type and maturity year). Once the Units are quoted on the Securities Exchange, they will be able to be traded on that Securities Exchange, subject to there being sufficient liquidity of that Class. Investors should note that the liquidity of a particular Class of Units may be significantly less than the liquidity of the equity of the relevant Underlying Bond Issuer or its parent entity. This is because the Underlying Bond market is generally less liquid than the equities market.

The Responsible Entity will publish, via the relevant Securities Exchange Market Announcements Platform which can be accessed at [https://www.cboe.com/au/equities/issuer\\_announcements/](https://www.cboe.com/au/equities/issuer_announcements/), the most recent closing Net Asset Value for each Class of Units and the most recent closing price of the Underlying Bonds, on a daily basis. All calculations in respect of the Underlying Bonds are based on the closing mid-price for the respective Underlying Bonds. Refer to Section 4.6 "Public information" of this PDS for more information. Investors should note that past performance of the Underlying Bonds is not a reliable indicator of future performance of the Underlying Bonds.

### 1.1. Key Features, Benefits and Risks

An investment in Units contains several benefits and risks. You should read all of the risks sections in their entirety before making a decision to invest in Units. A summary of the key features, benefits and risks of an investment in the Units, are outlined below:

Key Features		Further Information
<b>Trust Name and ARSN</b>	IAM Listed Bond ETF (ARSN 670 479 320) (the " <b>Trust</b> ")	
<b>Responsible Entity and Issuer</b>	Trustees Australia Limited (ABN 63 010 579 058; AFSL 260038).	
<b>Bond Manager</b>	ETB Pty Ltd (ACN 670 409 462) Corporate Authorised Representative (no. 001305688) of AFSL 260038. The Bond Manager manages the Trust's assets on behalf of the Responsible Entity and will provide financial intermediaries with information about the benefits, features, risks and rewards of the different Classes of Units.	
<b>Trust</b>	<p>The Trust is an Australian unit trust and a registered managed investment scheme under the Corporations Act. The Trust was established in 2023 to give investors the opportunity to gain economic exposure to individual corporate bonds. The Responsible Entity has appointed ETB Pty Ltd as the Bond Manager for the Trust. Each Class of Units in the Trust offers investors economic exposure to a specific Underlying Bond, and particularly, an opportunity for the investors to choose the Class of Units into which to invest and therefore the Underlying Bond to which they have exposure.</p> <p>A separate PDS may be issued for any new Classes of Units.</p>	Refer to Important Information

<b>Quotation</b>	An application has been made to the Securities Exchange for each Class of Units to be quoted on the Securities Exchange. Once quoted, each Class of Units will be able to be traded, subject to liquidity, on the Securities Exchange in a similar fashion to other listed securities. For more information on the nature of the Securities Exchange Units are to be quoted upon, refer to the "About the Securities Exchange Rules and CHES" section of this PDS. Although Units will be quoted on the Securities Exchange, interests (including any securities) in the Responsible Entity and Bond Manager are not currently listed on any exchange. The Responsible Entity and Bond Manager are subsidiaries of ASX listed entity Income Asset Management Group Limited (ASX:IAM).	Refer to Important Information
<b>Investment Objective and Strategy</b>	<p>The investment objective for the Trust, is for each Class of Units to provide returns that reflect or essentially seek to track the performance of the Underlying Bond corresponding to that Class of Units, less fees and costs as outlined in this PDS. The Trust seeks to meet its investment objective by investing in the Underlying Bonds and issuing Units in each Class, which is reasonably intended to reflect the market pricing of the Underlying Bond held for that particular Class.</p> <p>The Responsible Entity will not change the investment objective, mandate and strategy of a Class significantly unless it is approved by 75% of the votes cast by Unitholders at a meeting of Unitholders in the Class</p>	Refer to Section 2
<b>Underlying Bonds</b>	The Underlying Bonds are those bonds outlined in the Details Table on the cover of this PDS.	Refer to Cover Refer to Section 5
<b>Currency</b>	Australian dollars	
<b>Initial Offer Price</b>	\$25.00 per Unit.	
<b>Fees and costs</b>	<p>An investment in Units is subject to the following fees and costs, as outlined in the "Fees and Other Costs" section of this PDS:</p> <ul style="list-style-type: none"> <li>• Management fees and costs of 0.265% per annum in respect of each Class of Units which comprises: <ul style="list-style-type: none"> <li>◦ management fees and costs of 0.25% per annum calculated on the Net Asset Value of the Class accruing daily and payable via deductions from Distributions and redemptions; and</li> <li>◦ custodial and fund administration costs of 0.015% per annum of the Net Asset Value of the Class, which are accrued daily and paid as and when they are incurred;</li> </ul> </li> <li>• Buy-Sell Spread + 0.05% / - 0.05% payable on all applications for, or redemptions of, Units; and</li> <li>• Withdrawal Fee - for each Unit redeemed in a Class of Units 0.10% of the Net Asset Value of the Class divided by the Number of Units on issue in the Class of Units. Withdrawal fees will not be charged in the case of Early Redemption by the Responsible Entity and Automatic Redemption.</li> </ul> <p>The Responsible Entity may also recover Extraordinary Expenses out of the assets of the Trust. Extraordinary Expenses are separate from the management fees and costs and the custodial and fund administration costs.</p> <p>Please refer to Section 10 "Fees and other costs" for more information about the fees and costs referred to in this table.</p> <p>IAM Capital Markets Ltd, a related body corporate of the Responsible Entity, may also profit from Underlying Bond transactions with the Trust, including for example from selling Underlying Bonds to the Trust and buying Underlying Bonds from the Trust.</p> <p>Please refer to Section 11 "Conflicts of Interest" of this PDS for more information about the conflicts management.</p>	Refer to Section 10

<b>Redemption and Disposal of Units</b>	<p>Unitholders may generally not request to redeem their Units. Units may be redeemed by:</p> <ul style="list-style-type: none"> <li>• Automatic Redemption on the Maturity Date; or</li> <li>• Early Redemption if the Underlying Bonds are redeemed, cancelled, bought back, subject to early maturity or otherwise terminated; or</li> <li>• by the Responsible Entity in accordance with the Constitution.</li> </ul> <p>Authorised Participants when acting as a market maker for the Fund, may be entitled to make a Direct Application for Redemption prior to the Maturity Date.</p> <p>Subject to there being sufficient liquidity, Unitholders may sell their Units on the Securities Exchange.</p>	Refer to Section 9
<b>Distributions / Frequency</b>	<p>Distributions will be paid periodically from interest amounts (otherwise known as Coupon Payments) received on the Underlying Bonds and any cash holdings. It is expected that Unitholders of the relevant Class will receive their Distribution within 15 Business Days of the date that the Coupon Payment is received by the Responsible Entity ("<b>Coupon Payment Date</b>").</p> <p>The Responsible Entity will pay Unitholders of the relevant Class on the register on the record date for a Distribution a pro-rata share of the interest amounts received for the Class less any applicable fees and costs as outlined in this PDS.</p>	Refer to Section 2
<b>Labour Standards, ESG and Ethical Considerations</b>	The Responsible Entity and the Bond Manager do not take into account any labour standards, sustainability, environmental, social and governance, or ethical considerations when making investment decisions.	
<b>Key Benefits</b>		<b>Further Information</b>
<b>Access to returns from corporate bonds</b>	Units offer investors exposure to the returns from corporate bonds, which would generally be restricted to those institutional or wholesale investors who have made an investment on the Over-The-Counter (" <b>OTC</b> ") market.	Refer to Section 7
<b>Regular income payments</b>	Distributions will be paid from interest amounts (otherwise known as Coupon Payments) received on the Underlying Bonds. Investors on the register on the record date for the Distribution will receive a pro-rata share of the interest amounts received for the corresponding Class less any applicable fees and costs as outlined in this PDS. Distributions are subject to the Underlying Bond Issuer actually paying the Coupon Payments. The frequency of the Distributions will depend on the frequency of the Coupon Payments for the Underlying Bonds.	Refer to Section 7
<b>Exchange traded Units</b>	<p>Units in each Class may be bought and sold on the Securities Exchange, subject to the liquidity in Units. Refer to Section 8 "Risks of Investing In Units" of this PDS, specifically "Liquidity Risk".</p> <p>The Responsible Entity has appointed an external Market Maker under a Market Making Agreement to assist in the provision of liquidity to potential investors and Unitholders. The appointed Market Maker will retain any profits and incur losses arising from the on-market activities. The Market Maker earns a fee for any provision of market making services. The appointment of a Market Maker does not guarantee liquidity in the Units.</p> <p>In future, at the sole discretion and election of the Responsible Entity and subject to regulatory approvals and Unitholder notifications, a related body corporate of the Responsible Entity may provide liquidity to investors on the Securities Exchange by acting as the Market Maker and buy and sell Units.</p>	Refer to Section 7
<b>Potential diversification across Classes of Units</b>	An investment in more than one Class of Units may help you to diversify your exposure across different Underlying Bonds by selecting from different Classes of Units. Investors can select multiple Classes of Units and so obtain the exposure to the Underlying Bonds which suit their individual investment needs	Refer to Section 7

	and objectives. For example, some of the characteristics that might differ between the Underlying Bonds include their investment term, coupon rate and credit quality of the Underlying Bond Issuer.	
<b>Investment timeframe management</b>	The Units provide an investment with a defined investment Maturity Date, subject to the Units or the Underlying Bond being redeemed early. The Maturity Date of the Units is subject to the respective Underlying Bond continuing to its Maturity Date and no early redemption being called by the Underlying Bond Issuers.	Refer to Section 7
<b>Transparency</b>	Investors may track the performance of their investment on the Securities Exchange, whereas previously this may not have been possible for fixed income investments. Each Class of Units is issued in respect of an individual Underlying Bond. Therefore, you can clearly track the performance of the investment, unlike some other fixed interest investments, such as managed funds and ETFs, where you may not know the individual investments in the portfolio or the levels at which those investments are valued.	Refer to Section 7
<b>Investor choice</b>	As there may be a range of Underlying Bonds on issue from the same Underlying Bond Issuer, investors have the potential to select Units in a portfolio that have characteristics suited to their individual investment needs and objectives. For example: <ul style="list-style-type: none"> <li>• investment term;</li> <li>• type of income fixed or floating coupons; and</li> <li>• credit quality.</li> <li>•</li> </ul>	Refer to Section 7
<b>Single name credit exposure</b>	By investing in Units, you can gain credit exposure to the Underlying Bond Issuer of your choice.	Refer to Section 7
<b>Alternative income source</b>	Units provide investors with an alternative source of income to term deposits, hybrids and shares.	Refer to Section 7
<b>Available to SMSFs</b>	SMSFs may access Units as part of their investment portfolio to provide a regular income stream.	Refer to Section 7
<b>Key Risks</b>		<b>Further Information</b>
<b>Exposure to the creditworthiness of the Underlying Bond Issuer</b>	<p>Each Class of Units is exposed to the creditworthiness of the Underlying Bond Issuer of the relevant Underlying Bond. Underlying Bonds are subordinated unsecured obligations of the relevant Underlying Bond Issuer. In particular, the Underlying Bonds may be converted, written down or written off if a Non-Viability Trigger Event occurs.</p> <p>In a winding-up of the Underlying Bond Issue, the Underlying Bonds rank behind all claims of Senior Creditors, <i>pari passu</i> among themselves and, subject to conversion or write-off on the occurrence of a Non-Viability Trigger Event, <i>pari passu</i> with Equal Ranking Instruments and ahead of Junior Ranking Instruments. There is a risk that the Underlying Bond Issuer may default on its obligations in respect of the Underlying Bonds, and Unitholders in the Class exposed to the Underlying Bond could lose their entire investment. In a winding-up of the Underlying Bond Issuer, Unitholders in the Class exposed to the Underlying Bond will be subordinated to the claims of Senior Creditors of the Underlying Bond Issuer, in that all claims of Senior Creditors must be paid in full before the Underlying Bonds are paid. Changes in the market's perception of the creditworthiness of the Underlying Bond Issuer may affect the valuation and realisable value of a Unit. Unitholders should consider all publicly available information about the relevant Underlying Bond Issuer, including information about its financial position.</p>	Refer to Section 8



<b>Liquidity risk</b>	<p>There is the risk that, once quoted, there will be a limited or no liquid market for the Units in a Class at all or from time to time on the Securities Exchange. If there is no liquid market, investors may not be able to sell their Units on market prior to their Maturity Date. Unitholders may however, be able to redeem their Units.</p> <p>As Units are linked to the performance of the Underlying Bond, it is likely that the liquidity for a Class of Units may correlate to the liquidity in the market for that Underlying Bond. Where the market for an Underlying Bond becomes illiquid, it is likely that the corresponding Class of Units will also become illiquid and Unitholders seeking to sell that Class of Units may suffer significant losses.</p> <p>There is a risk that illiquidity in the Underlying Bonds may impact the ability of the Responsible Entity to acquire Underlying Bonds. This may subsequently impact on the performance of the Class of Units when compared with the performance of the Underlying Bond, as a result of holding cash or cash equivalent investments in the Trust.</p> <p>The Responsible Entity has appointed an external Market Maker under a Market Making Agreement to assist in the provision of liquidity to investors in Units. However, it will be limited to the extent that there is liquidity in the wholesale market for the Underlying Bonds. The appointment of the Market Maker does not guarantee liquidity in the Units. The appointed Market Maker will retain all profits and incur losses arising from the on-market activities. The Market Maker earns a fee for its provision of Market Making services.</p> <p>Unitholders generally do not have a right to request to redeem their Units from the Fund. If there is a limited or no liquid market for Units in a Class on the Securities Exchange, then there is a risk that Unitholders may not be able to dispose of their Units. However, in certain circumstances the Trust may be required to offer Unitholders the right to redeem their Units. For more information see Section 13.5.</p>	Refer to Section 8
<b>Concentration risk</b>	<p>Each Class will only provide exposure to a specific Underlying Bond. A Unitholder's investment may be concentrated to only one Underlying Bond Issuer and so will be subject to the risk of this Underlying Bond Issuer defaulting on their bond repayment obligations.</p> <p>If this occurs, Unitholders in that Class will not have recourse to assets of any other Class. Additionally, Unitholders holding only a single Class of Units will not benefit from the diversification of having exposure to a number of bonds or from a basket of different types of assets.</p>	Refer to Section 8
<b>Information risk</b>	<p>The Underlying Bond that relates to a Class of Units have been issued in the wholesale market without a prospectus, based on the information requirements for investment professionals who regularly invest in fixed income securities. The disclosures provided to participants in the wholesale market may be different to the information that a retail investor might reasonably expect to consider the merits of an investment in the Underlying Bonds, if such an investment were made available to retail investors. However, each Underlying Bond Issuer of an Underlying Bond, as an ASX listed entity or a subsidiary of an ASX listed entity is required, either directly or indirectly, to comply with the continuous and periodic disclosure regimes applicable to an ASX listed entity or other enhanced disclosure, depending on whether the Underlying Bond Issuer is an ASX listed entity or a subsidiary of an ASX listed entity.</p>	Refer to Section 8
<b>Early Redemption risk</b>	<p>Some, but not all, Classes of Units have an Underlying Bond that may be redeemed early by the Underlying Bond Issuer in certain circumstances and subject to certain conditions. If an Underlying Bond is redeemed prior to its Maturity Date there is a risk that the return on your investment may be affected. Where an Underlying Bond is redeemed the Responsible Entity intends to redeem Units of the relevant Class.</p>	Refer to Section 8

<b>Suspension risk</b>	This is the risk that the issuer of the Underlying Bond has a change in control event where the resulting controlling entity and therefore the Underlying Bond no longer meet the approval requirements of Cboe and/or ASIC, and as a result the Responsible Entity may suspend trading in the Class of Units relating to that Underlying Bond. If this occurs, the Responsible Entity may suspend redemptions from the Class or Trust in accordance with the Constitution.	Refer to Section 8
<b>Market risk</b>	This is the risk that the performance of each Class of Units is linked to the performance, less fees and costs, of the Underlying Bond. Changes in market factors may also cause the value of the Underlying Bond and the corresponding Class of Units to decline.	Refer to Section 8
<b>Trust risk</b>	<p>There is a risk that the Units could be redeemed prior to their Maturity Date, the fees and costs of the Trust in respect of Units could increase, the investment objective or investment strategy of the Trust may not be achieved, and the Responsible Entity may change or be removed. There is also the risk that the Responsible Entity, Bond Manager or Custodian are unable or unwilling to perform their obligations in relation to the Trust. In such circumstances, a Unitholder may not be able to sell their Units on the Securities Exchange. The Responsible Entity will not treat members of the same Class equally, to the extent that only an Authorised Participant can make a request to withdraw from the Trust.</p> <p>Unitholders generally do not have a right to request to redeem their Units from the Fund. If there is a limited or no liquid market for Units in a Class on the Securities Exchange, then there is a risk that Unitholders may not be able to dispose of their Units. However, in certain circumstances the Trust may be required to offer Unitholders the right to redeem their Units. For more information see Section 13.5.</p>	Refer to Section 8
<b>Counterparty risk</b>	Unitholders are exposed to indirect counterparty risk in relation to the Underlying Bond Issuer. Unitholders may lose their entire investment amount.	Refer to Section 8

## 2. ABOUT THE OFFER

This PDS is an offer of the Classes of Units as outlined in the Details Table on the cover page of this PDS. Only the Classes of Units described in that table are being issued pursuant to this PDS. Other Classes may be issued under a separate PDS(s). Each Class of Units is intended to reflect the performance, less fees and costs, of the corresponding Underlying Bond. An investment in a Class of Units is not a direct investment in the Underlying Bond. However, the performance of a Class of Units is intended to reflect the performance, less fees and costs, of the Underlying Bond.

The Underlying Bond for each Class, together with any Coupon Payments or other distributions in respect of those Underlying Bonds, will be held by the Responsible Entity via the Custodian.

The Underlying Bonds will be held by the Custodian in Austraclear or Euroclear. The Custodian will hold the Underlying Bonds on behalf of the Responsible Entity in its capacity as responsible entity of the Trust.

Custodial and fund administration costs are charged by the Custodian to the Responsible Entity. These custodial and fund administration costs are charged to Unitholders by the Responsible Entity and are reflected in the NAV of the relevant Class (refer to Section 10 "Fees and Other Costs" of this PDS). All other fees or costs levied by all service providers are paid by the Responsible Entity out of the management fees and costs and will not represent another separate fee to be paid by Unitholders.

A Unit in a Class confers on a Unitholder a beneficial interest in and exposure to the Underlying Bond of the relevant Class, but does not confer an entitlement to, or interest in any specific Underlying Bond, or part thereof, held in the relevant Class. The assets and liabilities of each Class are attributed to the relevant Class and are administered separately so the Unit Price and performance of each Class is segregated from each other. Unitholders of each Class can only claim against the assets of the Class and are not entitled to claim against the assets in any other Class. Similarly, the liability of the Responsible Entity to Unitholders of any Class is limited to the assets of the Class. Despite this degree of segregation between Classes, legally, the assets and liabilities of a particular Class are the assets and liabilities of the Trust as a whole. There is a risk that if the liabilities of a Class exceed the assets of the Class, a creditor of the Trust may make a claim against all of the assets of the Trust and not just the assets of the insolvent Class.

The price of the on-market Units in the Trust is likely to vary as the market value of the Underlying Bonds changes. Please refer to Section 8 "Risks of Investing in Units" of this PDS for more information on the pricing risk associated with an investment in Units.

Refer to Section 5 "About the Underlying Bonds" of this PDS for more detailed information about the specific Underlying Bonds. **You should obtain your own independent professional financial, legal and taxation advice in relation to an investment in Units.**

## 2.1. The Underlying Bond Issuers

Each Underlying Bond Issuer is either an ASX listed entity or a subsidiary of an ASX listed entity. ASX listed entities are subject to continuous and periodic disclosure requirements under the ASX Listing Rules and the Corporations Act. These continuous and periodic disclosure announcements are lodged with ASIC and the ASX and are available from the ASX website at [www.asx.com.au](http://www.asx.com.au), information service providers and the relevant listed entity's website. The Underlying Bond Issuers are listed on the cover page of this PDS. For more information on the Underlying Bond Issuers, refer to Section 4.8 "Disclosure Obligations of Underlying Bond Issuers" and Section 5 "About the Underlying Bonds" of the PDS.

The Underlying Bonds are bonds issued by an ASX listed entity or a subsidiary of an ASX listed entity, but the Underlying Bonds are themselves generally not quoted on the ASX. Generally, the Underlying Bonds will be unsecured obligations of the relevant Underlying Bond Issuer, however, some Underlying Bond Issuers may issue secured bonds. The status of an Underlying Bond, secured or unsecured, is noted in Section 5 "About the Underlying Bonds" of this PDS and in the Details Table on the cover of this PDS. The Underlying Bonds are issued in the wholesale market and are traded between participants in that market. The Trust can participate in this market as a result of the Responsible Entity's status as an Australian financial services licence ("AFSL") holder and wholesale investor, which allows it to acquire the bonds that deliver the economic exposure to Unitholders.

For more information about corporate bonds and the corporate bond market, refer to Section 4 "About corporate bonds" of this PDS for more information about corporate bonds generally, and Section 5 "About the Underlying Bonds" for more detailed information about the specific Underlying Bonds. **To obtain more information about a particular Underlying Bond Issuer, please contact your financial adviser or refer to the ASX for Underlying Bond Issuer or related party announcements.**

## 2.2. Potential returns on the Underlying Bonds and Units

Investors generally buy bonds to generate a regular and reliable income stream and, if held to maturity, to receive the repayment of the Face Value of the bond. The Coupon Rate of a corporate bond is the interest rate the company has agreed to pay on the Face Value of the bond over its life, whereas the Yield is the rate of return based on the purchase price of the bond. The price at which a bond trades will usually not be its Face Value and will fluctuate. If a bond's price (not including accrued interest) is above the Face Value, then the return (Yield) to an investor buying bonds will be lower than the Coupon Rate. If a bond's price (not including accrued interest) is less than the Face Value, then the return to an investor will be higher than the Coupon Rate. It is expected that the annual Distribution rate of the Units quoted on the Securities Exchange will generally reflect the annual Coupon Payment rates of the Underlying Bonds in the wholesale market, less fees and costs. It is expected that the Market Maker will reference the prevailing market pricing available to it for the Underlying Bonds in the wholesale market.

The fees and costs set out in this PDS reduce the returns available on Units compared to the returns on holding the Underlying Bonds directly. The Detail Table on the cover page of this PDS shows the annual Coupon Rate of the Underlying Bonds as at the date of the PDS. The effect the fees and costs have on the returns earned from an investment in Units will differ for each Underlying Bond. In addition, Units carry significant risks, including the risk of loss of some, or all, of your principal and returns are not guaranteed.

The Responsible Entity will publish, via the relevant Securities Exchange Market Announcements Platform, on a daily basis, the most recent closing Net Asset Value of each Class of Units or each ETF and closing price of the Underlying Bonds, and the number of Units issued in each Class of Units or ETF. The Responsible Entity will also publish, via the relevant Securities Exchange Market Announcements Platform and its website [www.incomeam.com](http://www.incomeam.com), intraday disclosures with respect to material movements in the pricing of the Underlying Bonds. Announcements made by the Responsible Entity are displayed at [https://www.cboe.com/au/equities/issuer\\_announcements/](https://www.cboe.com/au/equities/issuer_announcements/). Continuous disclosure by the Underlying Bond Issuers or parent entities of the Underlying Bond Issuers may be found at <https://www.asx.com.au/about/asx-shareholders/asx-market-announcements>.

## 2.3. Distributions for Unitholders

Where the Responsible Entity receives income in respect of the Underlying Bond of a Class (including any Coupon Payments made by the Underlying Bond Issuer on the Underlying Bond), Unitholders in that Class are entitled to receive that income less any fees and costs as a Distribution. Where an Underlying Bond Issuer pays a Coupon

Payment on the Underlying Bond in a Class, this will be received by the Responsible Entity, via the Custodian as the beneficial holder of the Underlying Bonds, and then paid to Unitholders in that Class as a Distribution, less any fees and costs.

On each Distribution Date, the Distribution paid to Unitholders in each Class is determined in accordance with the following formula:

$$\frac{\text{Class Income (including Underlying Bond Coupon Payment) - (Class Management Fee + Class Custodial and Fund Administration Costs + Extraordinary Expenses)}}{\text{Number of Units in the Class of Units}} \times \text{Class Units held by Unitholder}$$

The Responsible Entity intends to make Distributions to Unitholders of a Class as soon as practicable after the income in respect of that Class is received by the Responsible Entity. The process of making Distributions to Unitholders will commence on the day income is received by the Responsible Entity, subject to processing cut-off times. Note that, in normal circumstances, the "Extraordinary Expenses" item in the above formula will be \$0. Refer to Section 10.5 "Additional explanation of fees and costs" of this PDS for an explanation of the circumstances under which Extraordinary Expenses might arise. No Distribution will be made until after the Responsible Entity has received cleared funds in respect of the Underlying Bond Issuer's payment of Coupon Payments.

The actual date Unitholders will receive their Distribution payments will be subject to the date on which the Responsible Entity receives the payments from the Underlying Bond Issuers. Distribution payments will be paid to Unitholders to their nominated bank account details as provided by the Unitholder to the Registry, via Electronic Funds Transfer ("EFT").

## 2.4. Investment objective and strategy of the Trust

The investment mandate of the Trust is to provide classes of exchange traded units that track the performance of particular Underlying Bonds, less fees and costs. The Responsible Entity will purchase, and the Responsible Entity will hold to maturity or redemption, the Underlying Bond in a Class. The Responsible Entity will issue Units in a Class with an application price equal to the Net Asset Value of the Class plus Transaction Costs, divided by the number of Units on issue in the Class, which is reasonably intended to reflect the market pricing of the Underlying Bond held for that particular Class. The Responsible Entity will not change the investment objective, mandate and strategy of a Class significantly unless it is approved by 75% of the votes cast by Unitholders at a meeting of Unitholders in the Class.

## 2.5. Market Making in Units on Securities Exchange

The Responsible Entity has appointed an external Market Maker under a Market Making Agreement, the function of which is to provide liquidity to investors via the Securities Exchange by acting as a buyer and seller of Units. The Market Maker makes a fee for the provision of its market making activities. A Market Maker's role is to 'make a market' for a Class of Units. The Market Maker facilitates trading in the Units by providing liquidity to the market by acting as a buyer and seller of Units on the Securities Exchange and by applying for and redeeming Units off-market to ensure new Units are available for trading on the Securities Exchange.

The Market Maker may profit from charging higher offer (sell) prices than bid (buy) prices. This difference is called the bid-offer spread. The Market Maker and the Responsible Entity have agreed that the Market Maker will maintain a reasonable bid in the market. The appointment of a Market Maker is not a guarantee of liquidity at all times, and in some circumstances the Market Maker may provide bids only. The liquidity in the wholesale OTC market for the Underlying Bonds and the issue size of the Underlying Bonds will impact on the ability of the Market Maker to make markets. The Market Maker may provide a bid-only market where it is unable to offer further Units in that Class due to the liquidity in the market for the Underlying Bonds.

In future, subject to the Responsible Entity meeting all necessary Securities Exchange, regulatory and disclosure requirements, the Responsible Entity may appoint a related body corporate to act as the Market Maker. If this is the case the conflicts in this appointment will be managed in accordance with the IAM Group Conflicts of Interest Policy. See section 11 "Conflicts of Interest" for further information.

## 2.6. Management fees and costs

The management fees and costs for each Class accrue daily and are deducted periodically. The management fees and costs are 0.25% (incl GST, less reduced input tax credits) per annum calculated daily on the Net Asset Value of the Class.



The Responsible Entity will pay from the management fees and costs all fees payable to service providers such as the Bond Manager, the Registry, the Market Maker, the managed investment scheme auditor and accounting costs other than the Fund's Custodian.

Custodial and fund administration costs charged by the Custodian to the Responsible Entity are paid in addition to the management fees and costs. The Custodial and fund administration costs are 0.015% per annum (inclusive of GST, less reduced input tax credits) of the Net Asset Value of the Class. These costs charged to the Trust will reduce the Net Asset Value of the Class. The Responsible Entity will pay these invoices for the custodial and fund administration from the assets of the Trust referable to the relevant Class for which they are properly incurred and that proportion of the Trust's costs properly allocated to that relevant Class.

Where appropriate, the custodial and fund administration costs will be apportioned between the Net Asset Value referable to each Class as these costs are incurred.

The Responsible Entity may also recover Extraordinary Expenses out of the assets of the Trust. Extraordinary Expenses are separate from the management fees and costs and the custodial and fund administration costs.

For more information on fees and costs, refer to Section 10 "Fees and Other Costs" of this PDS.

## **2.7. Valuation of Trust Assets**

The Responsible Entity will determine the Net Asset Value of each Class daily. The Unit price for each Class is calculated daily by dividing the Net Asset Value of the Class by the number of units on issue in that Class. Where there are multiple classes of Units, the Net Asset Value of the Class is to be calculated by deducting from the total value of the Class Assets all Class Liabilities attributable to the relevant Class, which includes declared but unpaid distributions, calculated in accordance with the Trust's Constitution. The Net Asset Value of the Class will vary as the market value of the Class assets rise or fall.

## **2.8. Unit pricing policy and Asset valuation policy**

Trustees Australia has documented its Unit Pricing and Asset Valuation Policy that sets out how it calculates the unit prices for its managed funds, the valuation methodology, the rounding of decimal places, cut-off times for receiving instructions and the frequency of income distributions and unit pricing discretions. The policy complies with ASIC requirements. It is also necessary to make a copy available to all investors at no charge on request by contacting the Responsible Entity by the details provided in the section of this PDS titled "Contact Details". The Responsible Entity will observe this policy in relation to Units and will record any exercise of discretion outside of the scope of the policy.

## **2.9. No Voting Rights**

Corporate bonds generally provide bondholders the right to vote in very limited circumstances, such as on a default of the Underlying Bond Issuer. Unitholders do not have any voting rights attached to the Underlying Bonds. In situations where there is a vote that holders of Underlying Bonds may vote on, such as a corporate action, in the winding up of the Underlying Bond Issuer, or if there is an event of default in respect of the Underlying Bonds, the Responsible Entity will vote on the resolution without consulting Unitholders.

## **2.10. Responsible Entity's right of indemnity from the assets of the Trust**

The Trust's Constitution provides that the Responsible Entity has a right of indemnity out of the assets of the Trust. This right entitles the Responsible Entity to pay the expenses of the Trust that the Responsible Entity has incurred in the proper performance of its duties, directly from the assets of the Trust. These expenses are generally met from the management fees and costs and the custodial and fund administration costs of the Trust. However, where expenses are expenses that the Responsible Entity has not foreseen, and which are not part of the expected normal expenses for the operation and administration of the Trust ("**Extraordinary Expenses**") the Responsible Entity may utilise its right of indemnity to meet those Extraordinary Expenses (for example legal costs to defend a court action brought against the Trust or Responsible Entity). These Extraordinary Expenses are separate to the management fees and costs and the custodial and fund administration costs. The Responsible Entity may do this by either, paying the Extraordinary Expense directly from the Trust's assets, or by paying the Extraordinary Expenses themselves, and then recouping the amounts from the Trust's assets. Where Extraordinary Expenses are paid from the Trust's assets, this will reduce the amount otherwise payable to Unitholders. Where there are assets of the Class available, the Responsible Entity will only recover Extraordinary Expenses properly incurred in respect of the Class from the assets of that Class. For more information on Extraordinary Expenses refer to Section 10.5 "Additional explanation of fees and costs" of this PDS.

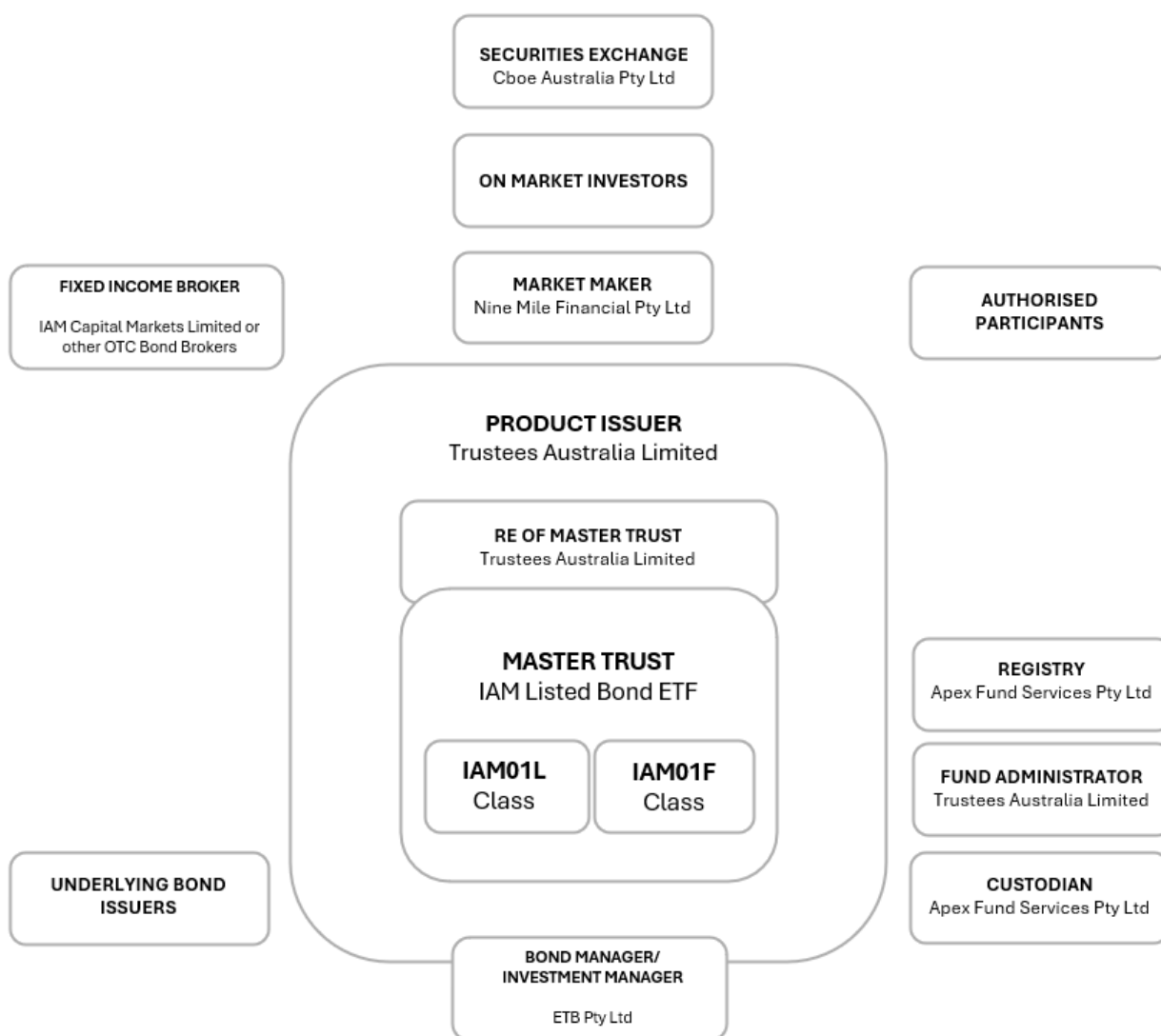
Extraordinary Expenses which are not attributable to one specific Class will be spread pro rata across all Classes to which the Extraordinary Expense relates. For example, if the Responsible Entity incurs \$20,000 of Extraordinary Expenses for two Classes equally, the Responsible Entity may then apply Coupon Payments from, each of the two Classes' in order to recover \$10,000 from each Class (for a total of \$20,000).

## 2.11. Important Documents and Material Contracts

DOCUMENT	DESCRIPTION
The Trust Constitution ("Constitution")	The Constitution outlines the internal governance of the Trust and some of the rights and obligations of Unitholders. The Constitution can be requested by Unitholders by contacting the Bond Manager or the Responsible Entity.
The Trust Compliance Plan ("Compliance Plan")	The Responsible Entity has established a Compliance Plan detailing how the Responsible Entity complies with its obligations under the law, its Constitution and this PDS. This Compliance Plan informs the processes and procedures implemented by the Responsible Entity in achieving compliance with its obligations.
Target Market Determination ("TMD")	The Target Market Determination for each Class is issued by the Responsible Entity available at <a href="http://www.incomeam.com">www.incomeam.com</a>
Investment Management and Distribution Agreement ("IMA")	The agreement between Trustees Australia in its capacity as responsible entity of the Trust and ETB Pty Ltd as Bond Manager under which ETB Pty Ltd is appointed to invest and manage the Trust's assets on behalf of Trustees Australia as well as to provide certain distribution services in respect of the Trust.

Below is a diagram of the structure of the Trust noting that the following parties are related parties, being all wholly owned subsidiaries of Income Asset Management Group Limited (ASX:IAM):

- Trustees Australia Limited;
- ETB Pty Ltd; and
- IAM Capital Markets Limited.



### 3. ABOUT THE SERVICE PROVIDERS

Service Provider	About the Service Provider
<b>Responsible Entity of the Trust</b>	<p>The Responsible Entity is Trustees Australia, a wholly owned subsidiary of Income Asset Management Group Limited, a public company listed on the Australian Securities Exchange (ASX: IAM). Trustees Australia is the responsible entity of the Trust and issuer of this PDS. Trustees Australia holds AFS licence number 260038, which was most recently varied on 27 May 2022 and which authorises it to provide certain financial services to both retail and wholesale clients including trustee and responsible entity services. Trustees Australia currently provides trustee, bare trustee and responsible entity services in respect of private placement loans, wholesale funds and retail managed investment schemes.</p> <p>Trustees Australia's objective is to ensure it acts in the interests of Unitholders at all times and that all Unitholders are treated equally as set out in the Corporations Act. Trustees Australia aims to ensure the investments made by the Bond Manager on behalf of the Trust are consistent with the investment mandate outlined in the PDS. Trustees Australia holds no equity in any of the Bond Manager, service providers or custodians that Trustees Australia engages to invest or administer the monies on behalf of Unitholders, noting that the Responsible Entity, the Bond Manager and IAM Capital Markets are related parties, being the wholly owned subsidiaries of Income Asset Management Group Limited (ASX:IAM). The Responsible Entity does not guarantee investors will make a particular rate of return or that the value of their investment will not fall. Trustees Australia may act in the capacity of responsible entity or trustee for other retail and wholesale funds.</p>
<b>Bond Manager</b>	<p>The Bond Manager is ETB Pty Ltd. Trustees Australia has appointed ETB Pty Ltd to act as Bond Manager, under an Investment Management Agreement. ETB Pty Ltd is also a wholly owned subsidiary of Income Asset Management Group Limited and holds Corporate Authorised Representative no. 001305688 for AFS licence number 260038, which authorises it to provide general advice in respect of, and deal in, fixed income securities and interests in managed investment schemes.</p> <p>ETB Pty Ltd was established for the purpose of acting as Bond Manager of the Trust and will be responsible for facilitating the quotation of the Units on the Securities Exchange and undertaking overall product management of the Trust and the quoted Units. The Bond Manager will advise the Responsible Entity on the selection of, and broker Responsible Entity transactions in, the Underlying Bonds which may constitute new Classes of Units and will engage in distribution activities including providing brokers, institutional clients and other financial intermediaries with information about the benefits, features, risks and rewards of the different Classes of Units.</p> <p>The executives and directors of the Responsible Entity and Bond Manager have extensive experience and expertise across financial services, financial markets, funds management, and financial product manufacture, distribution and regulation for fixed income markets domestically and internationally.</p>
<b>Custodian</b>	<p>Apex Fund Services Pty Ltd ("<b>Apex</b>") provides custodial services in respect of the Trust. Trustees Australia have appointed Apex to act as custodian to hold the assets of the Trust, under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. The Custodian has no supervisory role in relation to the operation of the Trust or Units and has no liability or responsibility to a Unitholder for any act done or omission made in accordance with the Custodian Agreement. The Custodian's role is limited to holding the assets of the Trust, including the Underlying Bonds.</p>
<b>Registry</b>	<p>Apex provides listed registry services in respect of the Trust. Trustees Australia has appointed Apex under a Registry Services Agreement to retain details of the investors in the Trust including the quantity of Units held from time to time, TFN (if provided), bank account details and other details as required.</p>
<b>Market Maker</b>	<p>The Market Maker provides market making services in respect of the Units quoted on the Securities Exchange. Trustees Australia has appointed an external Market Maker under a Market Making Agreement to assist in the provision of liquidity to potential investors and Unitholders. The Market Maker will retain any profits and incur losses arising from the on-market activities and earns a fee for any provision of market making services. The appointment of a Market Maker does not guarantee liquidity in the Units.</p>

## 4. ABOUT CORPORATE BONDS

The information in this section is intended to assist you to understand corporate bonds and the corporate bond market. It is provided for educational purposes only. However, it may not be in sufficient detail to constitute a comprehensive educational piece on the complexities of the corporate bond market. Nothing in this section is to be taken to be a suggestion, recommendation or statement relating specifically to the Underlying Bonds or Units, or the appropriateness of an investment in Units or corporate bonds as a whole.

Corporate bonds are debt instruments issued by companies and other entities. Corporate bonds are part of the “fixed income” investment universe, as they typically have “fixed” payments (coupons) over the life of the bond (which payments may be at a fixed or floating (variable) rate of interest) and the repayment of Principal at maturity. The Coupon Payments on a bond are generally required to be paid periodically unlike a dividend which may or may not be paid.

Coupons can be fixed rate (e.g., 5%) and the investor receives the same cash amount on every coupon date, or floating rate (which may fluctuate), where the investor receives a fixed margin above a reference rate, such as the Bank Bill Swap Rate (“**BBSW**”)(e.g. BBSW + 1.5%).

Generally, corporate bonds are only available in the wholesale market to institutional and professional investors. The Underlying Bonds are corporate bonds issued by Underlying Bond Issuers which are either ASX listed entities or subsidiaries of an ASX listed entity. The Underlying Bonds offered in this PDS (and subsequent PDSs) are selected by the Bond Manager.

The performance of Units during the life of the investment is linked to the performance of the Underlying Bonds, less fees and costs. Therefore, investors will benefit from the income stream and capital performance of the Underlying Bonds, less fees and costs, by holding Units. However, as detailed in the “Risks of investing in Units” section of this PDS, there are additional risks associated with Units, which means they may not appropriately be described as a direct fixed income investment.

When reading this section, Unitholders should note that they **will not** receive any direct interest in any corporate bonds. Unitholders will receive a Unit which aims to track the economic performance of a specified Underlying Bond, less fees and costs. References to investors or bondholders in this section are not the same as to a Unitholder in this PDS.

An investment in Units is not a direct investment in the Underlying Bonds. Units are intended as a ‘buy and hold’ investment. The Responsible Entity does not recommend that investors in Units rely on the information in this section as the sole source of information for the purposes of making any investment decisions, nor does it recommend that investors take short-term trading positions in Units or the Underlying Bonds.

### 4.1. Bonds described

A bond is essentially a loan from an investor to a borrower. In legal terms, a bond is a loan between a lender (the investor or bondholder) and a borrower (the issuer of the bond) that comes in the form of a ‘debt security’. The ‘debt security’ is legally able to be traded between investors.

Holding a debt security does not mean that the bondholder has security for repayment of the Principal or coupon unless that debt security expressly has the benefit of a legal security arrangement. A bondholder (or any person claiming or investing through a bondholder) could lose their entire investment amount. The Underlying Bonds that the Trust will invest in will typically be subordinated unsecured obligations of the Underlying Bond Issuer.

Corporate bonds are one way for companies to raise money or capital from investors to finance their business activities. Other methods of funding corporate activities are by bank loans and issuing secured debt, subordinated debt (or debt issued further down the capital structure), hybrid securities or issuing new equity (shares).

Capital is generally classified into two broad categories equity capital and debt capital. Investors familiar with the share market will understand equity capital as being the share capital of companies that confers ownership rights upon shareholders. Corporate bonds are a form of debt capital. In return for investors’ money, the company promises to pay interest (otherwise known as coupons) to the investor, and pay back the money investors have invested (the Principal or Face Value) at a certain future date.

By investing in corporate bonds, investors are essentially assuming the risks of lending someone money. For example, investors may not get their money back if the company issuing the bonds becomes insolvent or goes out of business.



Bond denominations (or the Face Value of a bond) are set by the relevant Underlying Bond Issuer. Common bond denominations include \$1,000, \$10,000, \$100,000 and \$500,000.

#### 4.2. Common issuers of bonds

There are many ways to classify issuers of bonds. The Australian market generally classifies them as the Australian Commonwealth Government, the Australian State Government Treasury Corporations (often called Semi- Governments or Semis), Supranationals (usually government backed or supported organisations such as the World Bank) and Corporates (usually refers to commercial entities such as banks and other companies).

#### 4.3. Corporate bonds vs other investments

Government bonds and corporate bonds are both debt securities, a Government bond is a lower-risk investment because a Government is the issuer and Governments are generally considered to be more creditworthy than companies.

A corporate bond is not the same as a bank term deposit, which is subject to the Financial Claims Scheme – a government-backed safety net for deposits of up to \$250,000 per account holder per Authorised Deposit-Taking Institution (“ADI”) regulated by APRA. Term deposits and corporate bonds are both fixed income investments. However, term deposits are where someone lends their money to a bank as their client, to be held in a bank deposit account, whereas corporate bonds are where someone lends their money to the Underlying Bond Issuer as an investor. Australian banks issue both term deposits and corporate bonds. Investors cannot ‘trade’ term deposits on a market, whereas corporate bonds are tradable in wholesale markets and sometimes (in the case of ‘retail’ bonds) on the ASX. The capital value of term deposits does not fluctuate whereas, as a result of being tradable, corporate bond prices can rise and fall with the market (until the time of repayment).

A corporate bond is not the same as a share. Shares are not loans and the amount you pay for them does not get paid back. If you buy a company’s shares, you have an ownership interest in the company. If you buy corporate bonds, you are lending money to the company issuing the bonds. As a bondholder, you are considered a ‘creditor’.

#### 4.4. Subordinated bonds

The Underlying Bonds referred to in this PDS and in respect of which Units will be issued are referred to as ‘Subordinated Bonds’ to distinguish them from higher capital ranked securities and mandatorily preferred liabilities, if any.

#### 4.5. Bond Documentation

Bond issuers issue bonds pursuant to documentation, typically known as a ‘Medium Term Note Programme’ or ‘Debt Issuance Programme’ (“**Debt Issuance Programme**”). The Debt Issuance Programme is not a prospectus under the Corporations Act, and is prepared for institutional, professional and wholesale investors only, and not for any other investors. A Debt Issuance Programme usually includes a “master” or “umbrella” document (the “**Base Terms**”), (known as an offering circular or information memorandum). It is a base document that describes the generic terms of the issue of a program of debt issuance. The Base Terms provides the general terms for a number of separate issues of bonds but does not provide some of the key pricing information for a particular bond issue such as the Bond’s actual issue size coupon, maturity date, or the price at which the bond is being issued.

In addition, for each bond issue under the Bond Issuance Programme, the Underlying Bond Issuer will prepare a short document (usually called a “**Pricing Supplement**”) with the specific key terms for a particular bond issue including the issue size, coupon, issue date, maturity date, issue price and any non-standard terms that relate to that particular issue. The Pricing Supplement is published just prior to each new bond issue and is specific to that particular issue. The final terms are additional to and may modify the application of the Base Terms. It contains all the key pricing information needed by the market to value and price the specific bond.

For more information on the specific terms of the Underlying Bonds, refer to Section 5 “About the Underlying Bonds” of this PDS, which is a summary of the key terms of each Underlying Bond.

#### 4.6. Public Information

The Responsible Entity will publish on its website, [www.incomeam.com](http://www.incomeam.com), all PDSs and TMDs for the Classes of Units the Trust has issued, information about corporate bonds including frequently asked questions, and factsheets for each Class of Units.

If you acquire Units in a Class, you will have economic exposure to an Underlying Bond (or Underlying Bonds if you acquire Units in multiple Classes) which are a fixed income investment. The Responsible Entity encourages all investors, particularly individual investors who may not be familiar with fixed income investments, to take the time to educate and familiarise themselves with the information in this PDS and the educational material on fixed income investments that is available before making a decision to invest in Units. The information in this section is not intended

to replace professional advice or any detailed consideration of the investment subject of this PDS. Investors should obtain independent professional advice from appropriately licensed financial, legal and tax advisers. References to the Responsible Entity's website are included for reference only and the information and documents that can be accessed on that internet site are not incorporated by reference into, and do not form part of, this PDS unless specifically identified in this PDS, if any.

The Responsible Entity will also publish on its website ([www.incomeam.com](http://www.incomeam.com)) the annual coupon rates of the Underlying Bonds and Distribution rates of each Class of Units, calculated based on the Underlying Bond annual Coupon Rate minus the fees and costs applicable to that Class of Units, which are calculated based on the NAV of the relevant Class of Units accruing daily. Please refer to the website for all calculation assumptions.

As part of quoting Units on the Securities Exchange, the Responsible Entity will make a range of information available to investors via the Securities Exchange Market Announcements Platform and the Securities Exchange website. Investors can find information on the Cboe website, [https://www.cboe.com/au/equities/issuer\\_announcements/](https://www.cboe.com/au/equities/issuer_announcements/). This information will include:

- The relevant PDS for the Units and any additional supplementary PDSs the Responsible Entity has issued for the Classes of Units.
- Any market announcements made by the Responsible Entity.

#### 4.7. Public Education

The ASX provides a wide range of educational material and online courses relating to fixed income investments. ASX has two online educational courses that investors can complete on fixed income investments. One course is on bonds and hybrids that provides information on the features, benefits and risks of bonds and hybrids. You can access that course at the ASX's website at: <https://www.asx.com.au/investors/investment-tools-and-resources/online-courses/bonds-course>.

ASX also has an online educational course that relates specifically to Commonwealth Government Bonds, and how retail investors can access these securities on ASX via a depositary security called CHESS Depositary Interests, or CDIs for short. Units and the Underlying Bonds are not in any way associated with, or guaranteed by, the Commonwealth Government. However, this additional source of education on the general principles of bond investment and trading may be helpful to augment investor understanding more generally: <https://www.asx.com.au/investors/learn-about-our-investment-solutions/bonds/types/government-bonds>.

ASX has also published a downloadable and printable guide entitled 'Understanding Bonds' which has further information in relation to fixed income investments. The guide is available from: <https://www.asx.com.au/investors/investment-tools-and-resources/brochures>. General ASX educational content on fixed income investments is also available at: <https://www.asx.com.au/markets/trade-our-cash-market/overview/bonds>.

Investors should be aware that the ASX educational material is very general in nature and applies to a wide range of different investments and does not specifically consider the Units offered under this PDS or the Underlying Bonds. Neither the Responsible Entity nor any other member of the IAM Group were involved in the preparation of the documents above and take no responsibility for their contents. To the extent permitted by law the Responsible Entity disclaims all liability for any loss, costs, damage or expense incurred as a result of accessing or relying on the information contained in the above referenced training materials.

ASIC has published a guide for retail investors considering an investment in corporate bonds called 'Investing in corporate bonds?' ("**ASIC Bond Guide**"). A free copy of the ASIC Bond Guide can be obtained from ASIC's MoneySmart website at <https://moneysmart.gov.au/investments-paying-interest/bonds> or by calling ASIC on 1300 300 630.

#### 4.8. Disclosure Obligations of Underlying Bond Issuers

The Underlying Bond Issuers are ASX listed entities, or subsidiaries of ASX listed entities that also issue equity securities which are traded in Australia on the ASX or Cboe Securities Exchange. The Underlying Bond Issuers also issue fixed income instruments such as bonds, which are traded in Australia in the wholesale OTC market. The information in this section relates to Underlying Bond Issuers generally. Refer to Section 5 "About the Underlying Bonds" of this PDS for more specific information.

Type of Obligation	Description
General disclosure obligations of ASX listed companies	Listed entities have significant disclosure obligations aimed at providing a wide range of information to investors, the broader market and to ASX and ASIC. These disclosure obligations arise for public companies and certain other entities under the law and the ASX

	<p>Listing Rules. The broad purpose of the combined disclosure obligations of the law and ASX Listing Rules is to ensure that investors are given all the information that is relevant, reasonable and practical to provide, in order that investors and advisers can properly assess an investment in the securities of the issuer.</p>
Prospectus	<p>Prior to listing on the ASX, the majority of listed entities access capital from the public by producing a Prospectus. A Prospectus is an offer and disclosure document for securities being offered to the general public (including retail investors) and should include all relevant information that investors reasonably need to assess an investment in the entity of an entity.</p> <p>Producing a Prospectus brings with it considerable liability for the directors and senior executives, which promotes sufficient rigor and due diligence in the preparation of the Prospectus. The Prospectus should provide a comprehensive and thorough picture of the entity, its financial standing, its business activities and its securities, to sufficiently inform investors about the risks and rewards of investing in the entity. A Prospectus contains financial and non-financial information, required to be produced by publicly listed entities including 'profit &amp; loss statement' ('P&amp;L', or 'income statement'); 'balance sheet' ('statement of financial position'); 'statement of cash flows'; 'notes to the financial statements' (important detail on the three main statements above); what business the entity carries on; risks of the entity's business; entity's board and management personnel; and entity's corporate governance.</p>
Ongoing disclosure	<p>The Underlying Bond Issuer has significant ongoing disclosure obligations which continue while the entity is publicly traded. For investors in Units, which provide economic exposure to the performance of Underlying Bonds, the most relevant disclosures relate to <b>Periodic Disclosure</b> (the financial affairs of the Underlying Bond Issuer at periodic points in time) and <b>Continuous Disclosure</b> (any significant change to the financials, day-to-day business, prospects of the Underlying Bond Issuer or its parent entity or anything else that would have an impact on the price or value of its securities).</p>
Periodic Disclosure	<p>Periodic Disclosure obligations act to provide investors with regular information about the financial affairs of entities. Periodic Disclosure is based on the financial year end for a respective entity. In Australia, companies and other entities select their own end of financial year, with many choosing 30 June however this can differ. Based on an ASX listed entity's financial year end date, it is obliged by law and the ASX Listing Rules to report on the financial state of affairs of the entity:</p> <ul style="list-style-type: none"> <li>• in the 'Annual Report' – a document that provides the most comprehensive report on the company, its business, its divisions, its financials, its board and senior management and compliance with the corporate governance framework;</li> <li>• in the 'Preliminary Report' – a document released ahead of the annual report, when the financial statements have been completed;</li> <li>• in the 'Interim Report' – a document which reports on the financial state of affairs of the company in the first half of its financial year.</li> </ul> <p>The statutory accounts are presented in long-established standard formats, designed for interpretation by investors, advisers, analysts, the media and the supervisory, surveillance and compliance divisions of ASX and ASIC. Each of these reports are filed with ASIC and the ASX and are available on the ASX website, under the Company Announcements section. Reports can also be accessed, for a fee, through the ASIC website. Both equity and debt markets relating to ASX listed entities rely heavily on the Periodic Disclosure regime to assess financial performance and therefore the value of the debt and equity securities the entity has on issue.</p>
Continuous disclosure	<p>Australia also has a Continuous Disclosure regime that essentially means that ASX listed entities are continually obliged to inform the market, subject to certain reasonable exceptions, of matters which are likely to materially impact the price or value of securities. The regime is designed to promote an informed market in the period between an entity's periodic financial reporting obligations. An entity is not required to constantly update and provide its statutory accounts.</p> <p>For example, the obligation to report something under Continuous Disclosure might arise from developments in an entity's day-to day business, its financial state of affairs, a profit upgrade or downgrade, the impact of regulation on its business, changes in its main</p>

	customer relationships, a credit rating change from a major ratings agency, major contracts the market expects the entity to win, its cost base, significant write-downs, input prices such as commodity prices, other.
Other listed entity obligations	There are a number of other obligations under the law and ASX Listing Rules that apply to listed entities. The majority of these relate to the equity securities of the entity. Examples include, but are not limited to, rules in respect of the issue of new securities; takeovers and acquisitions; related party transactions; general meetings of equity holders; protection of voting rights; resource company disclosure; executive and director remuneration; and corporate governance.

### ***Disclosure most relevant to Unitholders***

ASX listed companies and their listed parent entities make announcements about matters that mostly impact the equity market. While these announcements are important for general interest, corporate governance and equity investors, they may also be relevant to Unitholders. One of the main risks of investing in a Unit in the Trust is the credit risk of the Underlying Bond Issuer or any Guarantor therefore Unitholders should monitor all disclosures and announcements made by the Underlying Bond Issuers and their listed parent entity(ies) (as relevant), paying particular attention to any disclosure which would have an impact on the Underlying Bond Issuer's ability to meet its obligations to pay the interest on, or repay the Principal amount of the Underlying Bonds, or indeed of any of the entity's indebtedness (bank loans, other bonds or hybrids). Unitholders should seek advice from their financial advisers on whether particular announcements have a bearing on the Underlying Bond Issuer's ability to meet its obligations to pay interest or repay the Principal amount on the Underlying Bonds and what it means for that Underlying Bond Issuer's creditworthiness and financial stability.

The following types of announcements are amongst those that Unitholders should be particularly aware of significant profit downgrades, asset write-downs, adverse regulatory or tax changes, court rulings, litigation, credit rating changes, such as downgrades, or companies going on 'credit-watch' from the major credit ratings agencies, and investor and analyst briefings.

Credit ratings on the Underlying Bonds themselves are not generally available to retail investors, however when an ASX listed entity is subject to an announcement of a downgrade or placement on credit-watch, then that development warrants disclosure to ASX in the form of a market announcement.

The corporate bond market may not necessarily react in the same way as the equity market to the ebb and flow of information about the affairs of an Underlying Bond Issuer or its parent entity. It is impossible to predict how each market will react, however the corporate bond market will typically react to announcements where there is an impact to the creditworthiness of the Underlying Bond Issuer, its parent entity or related securities. Ultimately, whether an announcement will impact bonds, and hence Units tracking them is a matter the market will decide, trying to predict whether one event or another will impact the bonds is a matter of subjective opinion.

Unitholders should seek professional advice from appropriately qualified and experienced advisers before making an investment in the Units. They should also consider obtaining professional advice prior to forming any view on whether any particular information will or will not impact bond Yields and hence the performance of Units.

### ***Sources of Disclosure on the issuers of the Underlying Bonds***

There are many sources of corporate disclosure available to investors, with the main sources being the relevant ASX listed entity's and the ASX's website. The ASX website contains access to:

- all announcements (all Periodic and Continuous Disclosure) in full PDF and downloadable versions from recent years;
- all price sensitive announcements are marked with a red \$ (dollar sign). This is an ASX designation that relates more to equities, but generally indicates the more material announcements according to ASX; and
- basic information and contact details for the entity.

Listed entities often have an investor center on their website, which provides access to announcements made to ASX, information about general meetings and other matters of interest on the calendar of events, and corporate governance information. Unitholders and their advisers should monitor disclosure on an ongoing basis.



## 5. ABOUT THE UNDERLYING BONDS

The information contained in this section is a summary of information relating to the terms of issue of the Underlying Bonds and is not the terms of issue of a Class of Units providing economic exposure to the Underlying Bonds.

The Responsible Entity has prepared the information in this section, based on the Underlying Bond debt issuance documents provided to the wholesale market, including the Base Terms and the relevant Pricing Supplement. The Base Terms and the relevant Pricing Supplement were prepared by the Underlying Bond Issuer with institutional investors in mind only. These documents were not prepared by the Underlying Bond Issuer with Units or potential investors in the Units in mind. The full terms and conditions of issue of the Underlying Bonds are available from the Responsible Entity on request.

The information contained in this section of the PDS has been prepared without any involvement by the Underlying Bond Issuer. The Underlying Bond Issuers accept no responsibility for any errors or omissions made in the summarisation of the Underlying Bond. If you have any questions, you should seek advice from your licensed financial adviser before deciding to invest.

### 5.1. Underlying Bonds

Description of Bond	A\$1,500,000,000 Fixed-to-Floating Rate Callable Subordinated Notes due 15 November 2038 (ISIN: AU3CB0304376)
Issuer of the Bond	Westpac Banking Corporation (ABN 33 007 457 141)
Base Terms	Debt Issuance Programme dated 19 May 2023
Pricing Supplement	Dated on 13 November 2023
Nature of the Bonds	<p>The Subordinated Notes will constitute direct and unsecured subordinated obligations of the Underlying Bond Issuer and will not constitute protected accounts or deposit liabilities of the Issuer in Australia for the purposes of the Banking Act 1959 of Australia.</p> <p>In a winding-up, the Subordinated Notes will:</p> <ul style="list-style-type: none"> <li>Rank prior to, and senior in right of payment to, ordinary shares and other Junior Ranking Capital Instruments;</li> <li>Rank equally with the obligations of the Underlying Bond Issuer to the holders of other Subordinated Notes that have not been converted or written-off (or that have been partially converted or written-off), and the obligations of the Underlying Bond Issuer to holders of Equal Ranking Instruments; and</li> <li>Be subordinate to, and rank junior in right of payment to, the obligations of the Underlying Bond Issuer to Senior Creditors and all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Notes.</li> </ul> <p>However, the ranking of the Subordinated Notes in a Winding-up will be adversely affected if a Non-Viability Trigger Event occurs.</p>
Issue Size	A\$1,500,000,000
Issue Date	15 November 2023
Maturity Date	15 November 2038
Interest Rate and Interest Payment Dates	<p>Fixed: 7.199% per annum, payable semi-annually in arrears on 15 May and 15 November in each year up to but excluding 15 November 2033</p> <p>Floating: 3 month BBSW + 2.40% per annum, payable quarterly in arrears on 15 February, 15 May, 15 August and 15 November in each year from (and including) 15 November 2033 to (but excluding) the Maturity Date, subject to the business day convention.</p>
Bond Minimum Denomination (Face Value)	A\$10,000
Repayment at par on the Maturity Date	Yes

<b>Solvency Condition</b>	<p>Prior to a winding-up, the Underlying Bond Issuer's obligation to make any payment of principal, interest or additional amounts in respect of the Subordinated Notes shall be conditional on the Underlying Bond Issuer being solvent at the time the payment or other amount owing becomes due and no payment of principal, interest or additional amounts shall be made in respect of Subordinated Notes except to the extent that the Issuer may make such payment and still be solvent immediately after such payment.</p>
<b>Key Risks</b>	<p>The value of an investment in the Underlying Bond may fluctuate due to various factors, including investor perceptions, worldwide economic conditions, interest rates, debt market conditions and factors that may affect the Underlying Bond Issuer's financial performance. The following risks may also affect an investment in the Underlying Bond (note this list is not exhaustive):</p> <ul style="list-style-type: none"> <li>• <b>Non-Viability risk:</b> A Non-Viability Trigger Event could occur at any time. It is a requirement under APRA's prudential standards that any term subordinated debt, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion or write-off in the event of non-viability. The prudential standards do not define non-viability and APRA has not provided specific guidance on how it would determine non-viability. See below for the risks related to conversion and write-off</li> <li>• <b>Conversion or write-off risk:</b> Notes issued as Subordinated Notes are subordinated to the claims of all Senior Creditors and may be Converted into Ordinary Shares or Written-Off if a Non-Viability Trigger Event occurs. If Subordinated Notes are written-off, investors will lose some or all of the value of their investment and will not receive any compensation</li> <li>• <b>Liquidity risk:</b> An active secondary market in respect of the Underlying Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell the Underlying Bonds</li> <li>• <b>Interest rate and general economic risk:</b> The value of the Underlying Bond may be adversely affected by movements in market interest rates. Further, economic factors such as government fiscal policies, capital works programmes, exchange rates, inflation, rates of economic growth, employment levels, consumer and business spending, property values and related market volatility are factors which may impact on the Underlying Bond Issuer</li> <li>• <b>Structural or funding risk:</b> Adverse changes in global equity or credit market conditions, a negative change in, or suspension of, the Underlying Bond Issuer's credit rating or failure by the Underlying Bond Issuer to comply with debt covenants may result in impacts to the Underlying Bond Issuer's access to and/or cost of funding vital for business activities such as property development, construction and investment</li> <li>• <b>Market risks:</b> A number of factors may impact the Underlying Bond Issuer's existing business including but not limited to a change in the supply/demand, adverse changes in market conditions or adverse changes to taxes, duties, fees and charges associated with its business activities</li> <li>• <b>Legal risks:</b> Relating to litigation and regulatory actions</li> <li>• <b>Default risk:</b> If an event of default occurs under the Underlying Bonds, or the Underlying Bond Issuer fails to perform any obligation in relation to the Underlying Bonds, such event or failure may impact on the value of an investment in the Underlying Bonds, the transferability of the Underlying Bonds and the ability of a holder to recover amounts due under the Underlying Bonds</li> <li>• <b>Early Redemption Risk:</b> In certain circumstances the Underlying Bond may be redeemed early subject to certain conditions, including APRA's consent. However, redemption at the Underlying Bond Issuer's option or for tax or regulatory reasons and any early redemption rights of the Underlying Bond Issue may not be exercised by the Underlying Bond Issuer or approved by APRA. In addition, Subordinated Holders cannot request the redemption of conversion of Subordinated Notes.</li> </ul>
<b>Key Benefits</b>	<p>Key benefits include:</p> <ul style="list-style-type: none"> <li>• interest paid semi-annually or quarterly in arrears;</li> </ul>

	<ul style="list-style-type: none"> <li>• interest paid as 100% cash; and</li> <li>• subject to the Solvency Condition, interest is not deferrable nor are interest payments discretionary</li> </ul>
<b>Non-Viability Trigger Event</b>	<p>In the event of non-viability, Subordinated Notes may be either:</p> <ul style="list-style-type: none"> <li>• converted into ordinary shares of the Underlying Bond Issuer which are admitted to listing and trading on the ASX; or</li> <li>• written off (and all rights and claims of the holder terminated), in whole or in part.</li> </ul>
<b>Early Redemption by Underlying Bond Issuer</b>	<p>The Subordinated Notes may be redeemed by the Underlying Bond Issuer in the following instances (note this list is not exhaustive):</p> <ul style="list-style-type: none"> <li>• At the option of the Underlying Bond Issuer on, or after, the fifth anniversary of the Issue Date;</li> <li>• Following changes in tax laws which require additional amounts to be paid by the Underlying Bond Issuer; or</li> <li>• On the occurrence of a regulatory event such that the Underlying Bond Issuer will not be entitled to treat the Subordinated Notes as Tier 2 Capital</li> </ul> <p>Any early redemption is subject to prior written APRA approval which may not be given.</p>
<b>Events of Default</b>	<p>The following are Events of Default:</p> <ul style="list-style-type: none"> <li>• non-payment of any principal or interest amounts, unless prior to the commencement of the winding-up of the Underlying Bond Issuer in Australia, the failure to pay is a consequence of the Solvency Condition not being satisfied; or</li> <li>• the winding-up of the Underlying Bond Issuer in Australia</li> </ul>

<b>Description of Bond</b>	<b>A\$700,000,000 Subordinated Floating Rate Notes due 25 October 2033 (ISIN: AU3FN0082251)</b>
<b>Issuer of the Bond</b>	Commonwealth Bank of Australia (ABN 48 123 123 124)
<b>Base Terms</b>	Debt Issuance Programme dated 10 May 2023
<b>Pricing Supplement</b>	Dated 18 October 2023
<b>Nature of the Bonds</b>	<p>Subordinated Notes are direct, subordinated and unsecured obligations of the Underlying Bond Issuer.</p> <p>Claims in respect of Subordinated Notes shall rank in a winding up of the Underlying Bond Issuer:</p> <ol style="list-style-type: none"> <li>after the claims of Senior Creditors including claims preferred by applicable laws;</li> <li>equally among themselves and with claims in respect of Equal Ranking Instruments; and</li> <li>ahead of all claims in respect of Junior Ranking Instruments including claims referred to in sections 563AA and 563A of the Corporations Act.</li> </ol>
<b>Issue Size</b>	A\$700,000,000
<b>Issue Date</b>	25 October 2023
<b>Maturity Date</b>	25 October 2033
<b>Interest Rate and Interest Payment Dates</b>	3 Month BBSW + 2.05% per annum, payable quarterly in arrears on 25 January, 25 April, 25 July and 25 October in each year up to (and including) the Maturity Date, subject to the business day convention.
<b>Bond Minimum Denomination (Face Value)</b>	A\$10,000
<b>Repayment at par on the Maturity Date</b>	Yes
<b>Key Risks</b>	The value of an investment in the Underlying Bond may fluctuate due to various factors, including investor perceptions, worldwide economic conditions, interest rates, debt market conditions and factors that may affect the Underlying Bond Issuer's financial performance. The

	<p>following risks may also affect an investment in the Underlying Bond (note this list is not exhaustive):</p> <ul style="list-style-type: none"> <li>• <b>Non-Viability risk:</b> A Non-Viability Trigger Event could occur at any time. It is a requirement under APRA's prudential standards that any term subordinated debt, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion or write-off in the event of non-viability. The prudential standards do not define non-viability and APRA has not provided specific guidance on how it would determine non-viability. See below for the risks related to conversion and write-off</li> <li>• <b>Conversion risk:</b> Subordinated Notes will be mandatorily converted into ordinary shares or written-off where APRA determines that (1) such conversion or write-off is necessary because, without it, the Underlying Bond Issuer would become non-viable or (2) without a public sector injection of capital or equivalent support, the Underlying Bond Issuer would become non-viable. An investor may receive ordinary shares worth significantly less than the principal amount of their Subordinated Notes and those ordinary shares may be subject to transfer restrictions</li> <li>• <b>Write-off risk:</b> If Subordinated Notes are written-off, investors will lose some or all of the value of their investment and will not receive any compensation</li> <li>• <b>Liquidity risk:</b> An active secondary market in respect of the Underlying Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell the Underlying Bonds</li> <li>• <b>Interest rate and general economic risk:</b> The value of the Underlying Bond may be adversely affected by movements in market interest rates. Further, economic factors such as government fiscal policies, capital works programmes, exchange rates, inflation, rates of economic growth, employment levels, consumer and business spending, property values and related market volatility are factors which may impact on the Underlying Bond Issuer</li> <li>• <b>Structural or funding risk:</b> Adverse changes in global equity or credit market conditions, a negative change in, or suspension of, the Underlying Bond Issuer's credit rating or failure by the Underlying Bond Issuer to comply with debt covenants may result in impacts to the Underlying Bond Issuer's access to and/or cost of funding vital for business activities such as property development, construction and investment</li> <li>• <b>Market risks:</b> A number of factors may impact the Underlying Bond Issuer's existing business including but not limited to a change in consumer supply/demand, adverse changes in market conditions or sentiments and adverse changes to taxes, duties, fees and charges associated with its business activities.</li> <li>• <b>Legal risks:</b> Relating to litigation and regulatory actions</li> <li>• <b>Default risk:</b> If an event of default occurs under the Underlying Bonds, or the Underlying Bond Issuer fails to perform any obligation in relation to the Underlying Bonds, such event or failure may impact on the value of an investment in the Underlying Bonds, the transferability of the Underlying Bonds and the ability of a holder to recover amounts due under the Underlying Bonds</li> <li>• <b>Early Redemption Risk:</b> In certain circumstances the Underlying Bond may be redeemed early subject to certain conditions, including APRA's consent. However, redemption at the Underlying Bond Issuer's option or for tax or regulatory reasons and any early redemption rights of the Underlying Bond Issue may not be exercised by the Underlying Bond Issuer or approved by APRA. In addition, Subordinated Holders cannot request the redemption of conversion of Subordinated Notes.</li> </ul>
<b>Key Benefits</b>	<p>Key benefits include:</p> <ul style="list-style-type: none"> <li>• interest paid quarterly in arrear;</li> <li>• interest paid as 100% cash; and</li> <li>• subject to the Solvency Condition, interest is not deferrable nor are interest payments discretionary</li> </ul>
<b>Non-Viability Trigger Event</b>	<p>If a Non-Viability Trigger Event occurs, the Underlying Bond Issuer must exchange such number of Subordinated Notes (or, if it so determines, such percentage of the outstanding principal amount of each Subordinated Note) as is equal (taking into account any conversion</p>

	or write down of other relevant Notes) to the aggregate face value of capital instruments which APRA has notified the Underlying Bond Issuer must be exchanged, written down, converted or written down (or, if APRA has not so notified the Underlying Bond Issuer, such number or, if the Underlying Bond Issuer so determines, such percentage of the outstanding principal amount of each Subordinated Note), as is necessary to satisfy APRA that the Underlying Bond Issuer will no longer be non-viable.
<b>Early Redemption by Underlying Bond Issuer</b>	<p>The Subordinated Notes may be redeemed by the Underlying Bond Issuer in the following instances (note this list is not exhaustive):</p> <ul style="list-style-type: none"> <li>• At the option of the Underlying Bond Issuer on, or after, the fifth anniversary of the Issue Date;</li> <li>• Following changes in tax laws which require additional amounts to be paid by the Underlying Bond Issuer; or</li> <li>• On the occurrence of a regulatory event such that the Underlying Bond Issuer will not be entitled to treat the Subordinated Notes as Tier 2 Capital</li> </ul> <p>Any early redemption is subject to prior written APRA approval which may not be given.</p>
<b>Events of Default</b>	<p>The following are Events of Default:</p> <ul style="list-style-type: none"> <li>• non-payment of any principal or interest amounts, unless prior to the commencement of the winding-up of the Underlying Bond Issuer in Australia, the failure to pay is a consequence of the Solvency Condition not being satisfied; or</li> <li>• the winding-up of the Underlying Bond Issuer in Australia</li> </ul>

## 6. ABOUT THE SECURITIES EXCHANGE AND CHES

### 6.1. Securities Exchange Rules and Framework

An application has been made to Cboe for Units to be admitted to quotation on the market operated by the Securities Exchange under the Securities Exchange Rules. As at the date of this PDS, Units are not yet quoted on the Securities Exchange. For those Units being quoted on Cboe, once quoted Units will be quoted under the Cboe Operating Rules accessible at <https://www.cboe.com/au/equities/compliance/>. In operational terms, the market for products quoted under the Cboe Operating Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers. The key difference between products admitted under the ASX Listing Rules and those quoted under the Cboe Operating Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product. Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the relevant security issuer, however the value of a product quoted under the Cboe Operating Rules typically reflects the performance of the underlying assets.

The following table sets out the key difference between the ASX Listing Rules and the Cboe Operating Rules:

REQUIREMENT	ASX LISTING RULES	CBOE OPERATING RULES
<b>Control</b>	<p>An issuer controls the value of its own securities and the business it runs.</p> <p>The value of those securities is directly influenced by the equity issuer's performance and conduct, e.g., the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>An issuer of a product quoted on the Cboe platform does not control the value of the assets underlying its product. It offers a product that gives investors exposure to underlying assets - bonds. The value (price) of products quoted under the Cboe Operating Rules is dependent on the performance of the underlying assets rather than the financial performance of the issuer itself e.g., a managed fund issuer does not control the price of the bonds it invests in.</p>
<b>Continuous disclosure</b>	<p>Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of products quoted under the relevant Cboe Operating Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act. However, the Responsible Entity will comply with the disclosure requirements in section 675 of the Corporations Act. This means that the Responsible</p>



	Each Underlying Bond Issuer is either a listed entity or a subsidiary of an entity listed on the ASX and is required to comply with the continuous disclosure requirements.	<p>Entity will disclose information to ASIC which is not generally available and which a reasonable person would expect to have a material effect on the price or value of Units, provided that such information has not already been included in this PDS (as supplemented or amended). In addition, the Responsible Entity will publish such information on its website at <a href="http://www.incomeam.com">www.incomeam.com</a> at the same time as it is disclosed to ASIC. In addition, the Responsible Entity will publish such information on the relevant Securities Exchange announcements platform.</p> <p>Under the relevant Cboe Operating Rules (Cboe Rule 14.29), the Responsible Entity must disclose:</p> <ul style="list-style-type: none"> <li>• information about the market value of the Underlying Bonds daily;</li> <li>• information about redemptions by Unitholders;</li> <li>• information about distributions paid in relation to the Responsible Entity;</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 Units were admitted under the ASX Listing Rules.</li> </ul> <p>Any information, the non-disclosure of which may lead to the establishment of a false market in Units, or which would be likely to materially affect the price of Units.</p>
<b>Periodic Disclosure</b>	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	<p>Under the Cboe Operating Rules, issuers are not required to disclose their half yearly and annual financial information or annual reports. Responsible entities of products quoted on Cboe that are registered managed investment schemes are, however, still required to lodge financial reports for those managed investment schemes with Cboe at the same time as they are provided to ASIC under Chapter 2M of the Corporations Act.</p> <p>Under the Cboe Operating Rules, if Units are quoted on the Securities Exchange, Trustees Australia, as the issuer of Units in the Trust, is required to disclose, within 5 Business Days of the end of each month, the total number of individual Units on issue on the last Business Day of that month.</p>
<b>Corporate Control</b>	Listed companies and listed managed investment schemes are subject 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.	Certain requirements in the Corporations Act and the ASX Listing Rules that apply to companies and listed schemes do not apply to products quoted under the Cboe Operating Rules. Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity by extraordinary resolution by the members entitled to vote.
<b>Related Party Transactions</b>	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 does not apply to products quoted under the Cboe Operating Rules. 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.

<b>Auditor Rotation Obligations</b>	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 Cboe Operating Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Trust under section 601HG of the Corporations Act.
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In addition, under the Cboe Operating Rules or other requirements of Cboe Securities Exchange:

- the Trust must be an open-ended scheme, being a scheme, which continuously issues and redeems Units based on the wholesale market value of the relevant Underlying Bonds;
- the Trust's Constitution must provide that off-market redemption facilities operate daily;
- the Responsible Entity must either ensure a reasonable bid and offer volume is maintained in the market for each Class or appoint a market maker to ensure sufficient liquidity in Units, or have a sufficient spread of Unitholders prior to quotation; and
- the Responsible Entity must have an investment mandate or similar document in relation to each Class which sets out the investment approach of the Responsible Entity.

## 6.2. CHESS

The Responsible Entity participates in the Clearing House Electronic Sub-Register System ("**CHESS**"). CHESS is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Registry has established and will maintain an electronic sub-register with CHESS on behalf of the Responsible Entity. The Responsible Entity will not issue certificates to Authorised Participants for their Units. Instead, each Authorised Participant who is issued Units will receive a holding statement from the Registry which sets out the number of Units issued. The holding statement will specify the Holder Identification Number ("**HIN**") (similar to a bank account number) allocated by CHESS. Subject to the Securities Exchange Rules, the Responsible Entity may decline to register a transfer of Units.

The Constitution provides that the Responsible Entity may be subject to the Corporations Act and the Securities Exchange Rules.

If a Unitholder dies or becomes subject to legal disability, the Responsible Entity may only recognise the survivor (in the case of joint Unitholders) or the legal personal representative (in any other case) or any other person determined by the Responsible Entity in accordance with the Constitution as having any claim to Units registered in the Unitholder's name.

## 7. BENEFITS OF INVESTING IN UNITS

Benefits of investing in the Units include:

BENEFIT	EXPLANATION
<b>Access to returns from Corporate Bonds</b>	Units offer investors exposure to the returns from corporate bonds, which would generally be restricted to those institutional or wholesale investors who have made an investment on the Over-The-Counter (" <b>OTC</b> ") market.
<b>Regular income payments</b>	Distributions will be paid from interest amounts (otherwise known as Coupon Payments) received by the Responsible Entity for the Underlying Bonds. Investors on the register on the record date for the Distribution will receive a pro-rata share of the interest amounts received for the corresponding Class less any applicable fees and costs as outlined in this PDS. Distributions are subject to the Underlying Bond Issuer actually paying the Coupon Payments. The frequency of the Distributions will depend on the frequency of the Coupon Payments for the Underlying Bonds.
<b>Exchange traded Units</b>	Units in each Class may be bought and sold on the Securities Exchange, subject to the liquidity in Units. Refer to Section 8 "Risks of Investing in Units" of this PDS, specifically "Liquidity Risk".  The Responsible Entity has appointed an external Market Maker under a Market Making Agreement to assist in the provision of liquidity to potential investors and Unitholders. The appointed Market Maker will retain any profits and incur losses arising from the on-market activities. The Market Maker earns a fee for any provision of market making services. The

	appointment of a Market Maker does not guarantee liquidity in the Units. In future, at the sole discretion and election of the Responsible Entity and subject to regulatory approvals and Unitholder notifications, a related body corporate of the Responsible Entity may provide liquidity to investors on the Securities Exchange by acting as the Market Maker and buy and sell Units.
<b>Potential diversification</b>	An investment in more than one Class of Units may help you to diversify your exposure across different Underlying Bonds by selecting from different Classes of Units. Investors can select across Classes of Units and so obtain the exposure to the Underlying Bonds which suit their individual investment needs and objectives. For example, some of the characteristics that are different between the Underlying Bonds include their investment term, coupon rate and credit quality of the Underlying Bond Issuer.
<b>Investment timeframe management</b>	The Units provide an investment with a defined investment Maturity Date, subject to the Units or the Underlying Bond being redeemed early. The Maturity Date of the Units is subject to the respective Underlying Bond continuing to its Maturity Date and no early redemption being called by the Underlying Bond Issuers.
<b>Transparency</b>	Investors may track the performance of their investment on the Securities Exchange, whereas previously this may not have been possible for fixed income investments. Each Class of Units is issued in respect of a specific Underlying Bond. Therefore, you can clearly track the performance of the investment, unlike some other fixed interest investments, such as managed funds and ETFs, where you may not know the individual investments in the portfolio or the levels at which those investments are valued.
<b>Investor choice</b>	As there may be a range of Underlying Bonds on issue from the same Issuer, investors have the potential to select Units in a portfolio that have characteristics suited to their individual investment needs and objectives. For example: <ul style="list-style-type: none"> <li>• investment term;</li> <li>• type of income fixed or floating coupons; and</li> <li>• credit quality.</li> </ul>
<b>Single name credit exposure</b>	By investing in Units, you can gain economic exposure to the Underlying Bond of your choice.
<b>Alternative Income source</b>	Units provide a source of income for investors that is different to term deposits, hybrids and shares. Corporate bonds offer the potential for a higher return than a term deposit, reflecting the differences in risk of the two investments. As such, Units may offer a higher return than a term deposit.
<b>Available to SMSFs</b>	SMSFs may access Units as part of an investment portfolio, providing a regular income stream.

## 8. RISKS OF INVESTING IN UNITS

All forms of investment involve some level of risk. Generally, the higher the expected rate of return on an investment, the greater the level of risk and volatility of the returns. Investors in Units face a number of risks. It is important you understand the risks of investing in Units before you acquire them.

The Responsible Entity and the Bond Manager do not guarantee the performance of, or any return on, an investment in Units or that any distribution will be paid in respect of Units. An investment in Units may decline in value.

The risks listed below are not, and the Responsible Entity does not represent that they are the only risks associated with an investment in Units. These are the significant risks and do not represent all the risks. The Responsible Entity does not represent that the descriptions in the table below are exhaustive.

This section sets out the significant risks of investing in Units.

Risk	EXPLANATION
<b>Exposure to the Creditworthiness of the Underlying Bond Issuer</b>	Each Class of Units is exposed to the creditworthiness of the relevant Underlying Bond Issuer. Underlying Bonds are typically subordinated unsecured obligations of the relevant Underlying Bond Issuer. Therefore, typically the Underlying Bonds rank equally with all other Equal Ranking Instruments of the Underlying Bond Issuer. The Underlying Bonds rank behind all Senior Creditors, any creditors preferred by law and any secured creditors (if unsecured

	<p>bonds), but ahead of Junior Ranking Instruments. <b>There is a risk that the Underlying Bond Issuer may default on its obligations in respect of the Underlying Bonds. If the Underlying Bond Issuer defaults, Unitholders in the Class exposed to the Underlying Bond could lose their entire investment. Changes in the market's perception of the creditworthiness of the Underlying Bond Issuer may affect the valuation and realisable value of a Unit.</b></p> <p>In order to assess potential credit exposure to an Underlying Bond Issuer, Unitholders should consider all publicly available information about the Underlying Bond Issuer taking advice from their financial, legal and tax advisers. A key consideration is the financial strength of the Underlying Bond Issuer, which may be assessed by considering the financial statements and reports of the Underlying Bond Issuer. Refer to Section 4.8 "Disclosure Obligations of Underlying Bond Issuers" of this PDS for more detail regarding assessing the credit risk of the Underlying Bond Issuer.</p>
<b>Liquidity risk</b>	<p>There is the risk that, once quoted, there will be a limited or no liquid market for the Units in a Class at all or from time to time on the Securities Exchange. If there is no liquid market, investors may not be able to sell their Units on the market prior to their Maturity Date. Unitholders may, however, be able to redeem their Units through an Authorised Participant.</p> <p>As Units are linked to the performance of the Underlying Bond, it is likely that the liquidity for a Class of Units may correlate to the liquidity in the market for that Underlying Bond. Where the market for an Underlying Bond becomes illiquid, it is likely that the corresponding Class of Units will also become illiquid and Unitholders seeking to sell that Class of Units may suffer losses. There is a risk that illiquidity in the Underlying Bonds may impact on the ability of the Responsible Entity to acquire Underlying Bonds. This may subsequently impact on the performance of the Class of Units when compared with the performance of the Underlying Bond, as a result of holding cash or cash equivalent investments in the Trust.</p> <p>The Responsible Entity has appointed an external market maker under a Market Making Agreement to assist in the provision of liquidity to investors in Units as required by the Securities Exchange Rules, however it will be limited to the extent that there is liquidity in the wholesale market for the Underlying Bonds. The appointment of the Market Maker does not guarantee liquidity in Units. The appointed Market Maker will retain any profits and may incur losses arising from the on-market activities. The Market Maker also earns a fee for its provision of Market Making services.</p> <p>Under the terms of the Market Making Agreement the Market Maker may cease to provide these services under a number of conditions including Units being placed in trading halt or suspension, systems failure relating to the Units or material breach of law. Liquidity in the Units is likely to be more restricted in times where the Market Maker is not providing the Responsible Entity with these services in respect of the Units.</p> <p>In future, at the sole discretion and election of the Responsible Entity and subject to regulatory approvals and Unitholder notifications, a related body corporate of the Responsible Entity may be appointed to provide liquidity to investors on the Securities Exchange by acting as the Market Maker and buying and selling Units.</p> <p>Unitholders generally do not have a right to request to redeem their Units from the Fund. If there is a limited or no liquid market for Units in a Class on the Securities Exchange, then there is a risk that Unitholders may not be able to dispose of their Units. However, in certain circumstances the Trust may be required to offer Unitholders the right to redeem their Units. For more information see Section 13.5.</p>
<b>Concentration risk</b>	<p>Each Class will only invest in a specific Underlying Bond, which corresponds to one Underlying Bond Issuer and Underlying Bond issue. A Unitholder's investment may be concentrated to only one Underlying Bond Issuer and so will be subject to the risk of this Underlying Bond Issuer defaulting on their bond repayment obligations. If this occurs, Unitholders in that Class will not have recourse to assets of any other Class. Additionally, Unitholders holding only a single Class of Units will not benefit from the diversification of having exposure to a number of bonds or from a basket of different types of assets.</p>

<b>Information risk</b>	The Underlying Bond that relates to a Class of Units have been issued in the wholesale market without a prospectus, based on the information requirements for investment professionals who regularly invest in fixed income securities. The disclosures provided to participants in the wholesale market may be different to the information that a retail investor might reasonably expect to consider the merits of an investment in the Underlying Bonds, if such an investment were made available to retail investors. However, each Underlying Bond Issuer of an Underlying Bond, as an ASX listed entity or a subsidiary of an ASX listed entity, is required, either directly or indirectly, to comply with the continuous and periodic disclosure regimes applicable to an ASX listed entity or other enhanced disclosure, depending on whether the Underlying Bond Issuer is an ASX listed entity or a subsidiary of an ASX listed entity.
<b>Early Redemption risk</b>	Some, but not all, Classes of Units have Underlying Bonds that may be redeemed early by the Underlying Bond Issuer. If an Underlying Bond is redeemed prior to its Maturity Date, there is a risk that the return on your investment may be affected. Where an Underlying Bond is redeemed, the Responsible Entity intends to redeem Units of the relevant Class.
<b>Suspension risk</b>	The issuer of the Underlying Bond may have a change in control event where the resulting controlling entity is no longer listed on the ASX, and as a result the Unit may be suspended from trading. Units may also be suspended from trading where there is a significant market or Underlying Bond liquidity event, where the Responsible Entity reasonably considers it in the best interests of Unitholders, to suspend trading.
<b>Market risk</b>	The performance of Units is linked to the performance of the Underlying Bond, less fees and costs. There is a risk that the value of the Underlying Bonds may decline in response to market factors including, without limitation, changes in interest rates, economic, political and legal conditions, investor perceptions, Australian and worldwide economic conditions, debt market conditions and the relevant Underlying Bond Issuers' financial performance. Changes in market factors may cause the value of the Underlying Bonds and the corresponding Class of Units to decline.
<b>Trust risk</b>	<p>There is a risk that the Units could be redeemed prior to their Maturity Date, the fees and costs of the Trust in respect of Units could increase, the investment objective or investment strategy of the Trust may not be achieved, and the Responsible Entity may change or be removed.</p> <p>Each of these may result in the value of Units, or a Class of Units, decreasing substantially or completely, even where the price of the Underlying Bond has remained steady. The Responsible Entity may redeem the Units or terminate the Trust or a Class if it considers doing so would be in the best interest of Unitholders. The Responsible Entity may treat different Classes of Unitholders differently, including in the event of termination of the Trust or a Class, to reflect the different performance outcomes of the Underlying Bonds and must treat them fairly. However, only Authorised Participants on their own behalf can make a request to redeem Units from the Trust, except in the case of Early Redemption by the Responsible Entity and Automatic Redemption.</p> <p>This is the risk that the Responsible Entity, Authorised Participant, Bond Manager or Custodian are unable or unwilling to perform their obligations in relation to the Trust. In such circumstances, a Unitholder may not be able to sell their Units on the Securities Exchange. Unitholders generally do not have a right to request to redeem their Units from the Fund. If there is a limited or no liquid market for Units in a Class on the Securities Exchange, then there is a risk that Unitholders may not be able to dispose of their Units. However, in certain circumstances the Trust may be required to offer Unitholders the right to redeem their Units. For more information see Section 13.5.</p>
<b>Counterparty risk</b>	<p>Unitholders are exposed to counterparty risk in relation to the Underlying Bond Issuer. In each case, Unitholders may lose their entire investment amount.</p> <p>The ability of a Unitholder to sell or redeem a Unit may be delayed or suspended should the Responsible Entity cease to be authorised to act as a responsible entity or be otherwise unable to perform its obligations as a responsible entity. In addition, the ability of the Bond Manager may also be impacted as it holds a Corporate Authorised Representative authorisation from Trustees Australia Limited which will also cease if the AFSL is suspended or revoked. In addition, a default by a counterparty could lead to an increase in fees and costs as other counterparties may seek to recover their fees and costs from the Trust.</p>



	<p>You can assess the Underlying Bond Issuer's or any Guarantor's ability to meet its obligations and its general creditworthiness by reviewing its financial information available from the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a>, information service providers and the Underlying Bond Issuer's website. The Responsible Entity also has the right to transfer its rights and obligations under this PDS. In these circumstances Unitholders' counterparty risk to the Responsible Entity may change.</p>
<b>Disclosure risk</b>	<p>An investment in Units is not an investment in the Underlying Bonds. The Trust or the Responsible Entity cannot provide investors with the same level of information about the Underlying Bond Issuer and the Underlying Bonds that would be available if the Underlying Bond Issuer was offering bonds directly to investors. For example, the Trust or Responsible Entity will not be aware if there is any information that an Underlying Bond Issuer is permitted to withhold from the market in accordance with the exceptions in the ASX Listing Rules.</p>
<b>Regulatory risk</b>	<p>There is a risk that a government or a regulatory body may change a law, regulation or policy, or that the interpretation of a law or regulation may change, or that a court may make a decision, which adversely affects the value of Units.</p>
<b>Tax considerations</b>	<p>Tax and stamp duty laws are complex and often not completely clear, and the tax consequences of a particular structure chosen might be questioned or might be subject to challenge by the Australian Taxation Office ("<b>ATO</b>") or state revenue authorities. Changes in tax or duty legislation, regulations, judicial decisions and/or other relevant guidance could adversely affect the return from the Trust to its investors and the taxation of investors. Consequently, no assurance can be given on the actual level of taxation suffered by the Trust or its investors.</p> <p>The Trust or an investment in the Trust can also be subject to tax risk on the basis that tax, and stamp duty laws and relevant administrative practices are subject to change, possibly with retrospective effect. The Responsible Entity will seek external professional tax advice for the Trust on a regular basis which, unless an extraordinary expense, will be deducted from the management fees and costs.</p> <p>The tax consequences of an investment in the Trust are complex, and the full tax impact of an investment in the Trust will depend on circumstances particular to each investor and the activities of the Trust and any entities in which the Trust may invest. Accordingly, prospective investors are strongly urged to consult their own professional tax advisors as to the tax and filing consequences of an investment in the Trust, with specific reference to their own particular facts and circumstances. Refer to Section 12 "Taxation" of this PDS for a discussion of certain tax considerations relevant to certain prospective investors in the Trust.</p> <p>The Trust may also request investors provide certain information to comply with the U.S. Foreign Account Tax Compliance Act and the OECD Common Reporting Standard ("<b>CRS</b>"), and there may be adverse withholding tax consequences for investors that decline to provide such information. Refer to Section 13.9 "Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)" of this PDS for a discussion of the impact of these regimes on an investment in the Trust.</p>
<b>Quotation risk</b>	<p>An application has been made to the Securities Exchange for Units to be quoted on the Securities Exchange. No assurance can be made that once quoted, Units will at all times remain quoted and it may not be possible to quote Units on any market. Once quoted, the Securities Exchange, a government or a regulatory body may decide that Units, or a particular Class or Classes of Units, are no longer able to be quoted. If this occurs, the relevant Unit will be redeemed and the value (if any) you receive in respect of your Units may be significantly adversely affected.</p> <p>The Securities Exchange reserves the right to halt or suspend trading of any product quoted on the Securities Exchange whenever the Securities Exchange deems such an action to be appropriate. In particular, once quoted, the Securities Exchange may halt or suspend trading of the Units, or a particular Class or Classes of Units, on the Securities Exchange if the Responsible Entity fails to comply with its obligations under the Securities Exchange Rules. If trading of Units is halted or suspended, you will be unable to buy or sell Units on the Securities Exchange and the Responsible Entity may not accept applications for the issue of Units, or in the case of Authorised Participants only, the redemption of Units.</p>

<b>Responsible Entity's right of indemnity</b>	<p>There is the risk that, in certain circumstances, the Responsible Entity may make a deduction from Coupon Payments or Principal payments, in order to cover unpaid expenses properly incurred in the proper performance of its duties to the Trust. For more information, refer to Section 2.10 "Responsible Entity's right of indemnity from the assets of the Trust" and Section 10.5 "Additional explanation of fees and costs" of this PDS, specifically regarding "Extraordinary Expenses".</p>
<b>Operational risk</b>	<p>The Responsible Entity and Bond Manager both depend on certain operating systems and facilities and service providers to carry out their roles. Those systems and facilities may fail to operate properly or become disabled, and service providers may fail to properly perform their obligations, as a result of events that are wholly or partly outside the Responsible Entity's and Bond Manager's control. This may adversely affect the operation and performance of the Bond Manager and Responsible Entity and may cause them to incur losses. Similarly, the Responsible Entity and/or the Bond Manager may not be able to manage the Trust in accordance with the investment objective and strategy or the administrative procedures outlined in this PDS, including without limitation, the publishing of Underlying Bond prices.</p> <p>The Responsible Entity employs a range of risk monitoring and risk mitigation techniques. However, those techniques and the analysis that accompanies their use cannot anticipate every risk and outcome or timing of such outcome. The Market Maker appointed by the Responsible Entity may from time-to-time experience system failures that prevent it from making markets, which may potentially impact on the liquidity for a Class of Units or for all Classes of Units.</p>
<b>Pricing risk</b>	<p>The Responsible Entity will publish on the Securities Exchange, on a daily basis, the Net Asset Value of each Class of Units and the wholesale OTC market price of the Underlying Bond at the prior day's closing. This information will be provided as a reference point for Unitholders (refer to Section 2.5 "Market Making in Units on the Securities Exchange" of the PDS) and taken from a source believed to be reliable by the Responsible Entity. Units may trade at prices on the Securities Exchange established by the Market Maker and/or Authorised Participants which differ from the prior day's closing price.</p> <p>Trading prices of the Units in any Class are influenced by a number of factors, including without limitation, the supply of and demand for Units and supply of and demand for the Underlying Bonds (which is generally referred to as liquidity).</p> <p>The bid (or buy) price and the offer (or sell) price of Units on the Securities Exchange is unlikely to ever be the same. That is, there is always likely to be a bid-offer spread as there is with most exchange traded securities. The bid-offer spread may reduce returns for Unitholders.</p> <p>As indicated in the section on Liquidity risk, there is a risk that the liquidity in the Underlying Bond market falls or drops where there is no trading in the wholesale market for the Underlying Bond. This is likely to have an impact on the pricing of Units on the Securities Exchange (unless Units themselves become very liquid on the Securities Exchange as a result of a significant volume of Units being created).</p> <p>Ultimately, as for all exchange quoted investment securities that are linked to the value or performance of another asset class, the biggest factor impacting the liquidity of Units on the Securities Exchange is generally the liquidity in the Underlying Bonds.</p>
<b>Segregation and pooling risk</b>	<p>The Underlying Bond for each Class of Units will be held by the Trust. A Unit in a Class does not confer an entitlement to, or interest in any specific Underlying Bond, or part thereof, held by the Trust in each Class.</p> <p>The assets and liabilities of each Class are attributed to the relevant Class and are administered separately so the Unit Price and performance of each Class is segregated from each other. Unitholders can only claim against the assets of the Class (i.e. the Underlying Bonds held by the Responsible Entity for Unitholders that hold Units in a Class) and are not entitled to the assets in any other Class. Similarly, the liability of the Responsible Entity to Unitholders of any Class is limited to the assets of the Class.</p> <p>Despite this degree of segregation between Classes, legally, the assets and liabilities of a particular Class are the assets and liabilities of the Trust as a whole. As such, if the Trust becomes insolvent, all Classes will be affected. There is a risk that if the liabilities of a Class</p>

	exceed the assets of the Class, a creditor of the Trust may make a claim against all of the assets of the Trust and not just the assets of the insolvent Class.
<b>Settlement risk</b>	Unit issues and redemptions by the Responsible Entity are subject to the CHESS settlement system. The Responsible Entity is exposed to certain risks in the event that an Authorised Participant does not comply with its settlement obligations. Applications and redemptions are not covered by the National Guarantee Fund and the Responsible Entity cannot claim against the National Guarantee Fund in the event that an Authorised Participant defaults under its CHESS settlement obligations.
<b>Inflation risk</b>	The level of inflation can adversely impact the value of Units. If inflation increases, the real (inflation adjusted) return of Units will fall.
<b>Conflicts of interest and related party risks</b>	<p>A conflict of interest arises when a party is subject to multiple competing interests. The Responsible Entity and third-party service providers of the Trust may, in the course of their business, have potential conflicts of interest that are inconsistent with the best interests of investors or affect unitholders with competing interests or which may not be managed effectively and may be detrimental to the Trust and its Unitholders.</p> <p>The Responsible Entity, members of the IAM Group and their affiliates, personnel and associates have multiple roles in relation to the Trust and separate from the Trust that generate fees and other compensation and economic benefits for themselves and Members of the IAM Group.</p> <p>The Responsible Entity maintains a conflicts of interest policy to ensure that all conflicts of interest (actual or perceived) are identified and appropriately managed. The IAM Group including the Responsible Entity and its affiliates have implemented policies and procedures to seek to identify and manage conflicts in a fair and equitable manner as described in Section 11. There is no guarantee however that any such conflicts will be resolved in a manner that will not have an adverse effect on the Trust.</p>

## 9. ISSUE AND REDEMPTION OF UNITS

### 9.1. Issue of the Units

An Authorised Participant may apply for Units to be issued to them by providing written notification to the Responsible Entity and Registry and making payment of the corresponding amount for the whole number of Units. In return the Responsible Entity will create and issue the Authorised Participant with, the relevant whole number of Units. All applications are subject to approval of the Responsible Entity in its sole discretion. Units created through this process will be quoted on the Securities Exchange with effect from the settlement of the issue of the Units.

#### *Interest on Application Monies*

There will be no interest paid on application monies received by the Responsible Entity from an Authorised Participant. Application monies may be held in trust by the Responsible Entity for a period of not more than 10 days to facilitate the creation of Units and the purchase of Underlying Bonds.

### 9.2. On-Market Acquisition of Units

Investors can acquire Units in the Classes on-market by placing an order through their stockbroker, relevant financial adviser or buying Units on the Securities Exchange. Refer to Section 10 "Fees and Other Costs" of this PDS for an explanation of the fees and costs applicable on acquisition.

### 9.3. Redemption of Units

An Authorised Participant may apply directly to the Responsible Entity to redeem Units they hold. Units may also be subject to Automatic Redemption or Early Redemption. Subject to Units being quoted and there being sufficient liquidity, Unitholders may also dispose of Units on-market.

#### **Applying to Redeem Units - Direct Application for Redemption**

Only Authorised Participants, acting on their own behalf, may make an application to the Responsible Entity to redeem their Units ("**Direct Application for Redemption**"). Unitholders who are not Authorised Participants do not have a right to make a Direct Application for Redemption of Units however Unitholders may, subject to liquidity, sell their

Units on the Securities Exchange. If there is a limited or no liquid market for Units in a Class on the Securities Exchange, then there is a risk that Unitholders may not be able to dispose of their Units. However, in certain circumstances the Trust may be required to offer Unitholders the right to redeem their Units. For more information see Section 13.5.

The Responsible Entity will generally accept a Direct Application for Redemption from an Authorised Participant, however the Responsible Entity may reject any Direct Application for Redemption received without giving a reason.

The Responsible Entity may also suspend consideration of redemption requests or defer its obligations to pay redemption proceeds where it is not possible or not in the best interests of the Unitholders for it to process redemption requests or make the payment due to one or more circumstances outside its control which could not have been reasonably foreseen at the relevant time, such as restricted, suspended or permanent cessation of trading or extreme price fluctuation or uncertainty in the market for an asset of the Trust. The Trust could become illiquid under the Corporations Act. In these circumstances you may only withdraw from the Trust in accordance with a withdrawal offer made by the Responsible Entity in accordance with the Corporations Act.

### ***Automatic and Early Redemptions of Units***

All Units in a Class will be subject to Automatic Redemption on the Maturity Date of the Underlying Bonds in that specific Class. Units may also be subject to Early Redemption if the Underlying Bonds are redeemed, cancelled, bought back, subject to early maturity or redemption or are otherwise terminated.

On Automatic Redemption and Early Redemption, the Responsible Entity will arrange for Unitholders to be paid their respective redemption proceeds into the relevant accounts on receipt of cleared funds and the Units will be redeemed. On Automatic Redemption or Early Redemption all proceeds payable to Unitholders will be in cash only (that is, Unitholders do not receive any right to or in the Underlying Bond held in the Class).

The Responsible Entity will notify Unitholders of any Automatic Redemption or Early Redemption of their Units and will nominate a date for redemption.

### ***Redemption Proceeds***

Authorised Participants will have their Units redeemed in cash. The Responsible Entity normally operates facilities for application and redemption of Units each Business Day, subject to liquidity of the Underlying Bonds. Refer to Section 2.3 "Distributions for Unitholders" of this PDS for more information.

On Automatic Redemption or Early Redemption, Unitholders will be paid following receipt of cleared funds from the Underlying Bond Issuer.

In the case of a Direct Application for Redemption of Units in cash, the Responsible Entity will use the Net Asset Value of the Class to determine the value of the Units being redeemed. The Responsible Entity will report to the Securities Exchange on a daily basis in respect of Net Asset Value of each Class of Units.

Regardless of the method of redemption, Unitholders will be paid an amount equal to the amount calculated using the following below minus any applicable fees and costs:

$$\frac{\text{Class Units held by Unitholder} \times \text{Net Asset Value of the Class - Transaction Costs}}{\text{Number of Units in the Class of Units}}$$

### **9.4. On-Market Disposal**

Subject to liquidity, Unitholders can sell their Units on the Securities Exchange. Except in limited circumstances, Unitholders will only be able to sell their Units on the Securities Exchange, as the Responsible Entity is unable to hold a fraction of an Underlying Bond in the relevant Class.

## 10. FEES AND OTHER COSTS

### 10.1. Consumer advisory warning

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund 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.

### 10.2. 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.

IAM Listed Bond ETF		
TYPE OF FEE OR COST	AMOUNT <sup>1</sup>	HOW AND WHEN PAID
ONGOING ANNUAL FEES AND COSTS <sup>2</sup>		
<b>Management fees and costs</b> The fees and costs for managing your investment	0.265% in respect of each Class of Units per annum calculated on the Net Asset Value of the Class <sup>2,3</sup>  <i>This includes:</i>  <b>Management fees and costs</b> of 0.25% per annum calculated on the Net Asset Value of the Class  <b>Plus</b>  <b>Custodial and fund administration costs</b> of 0.015% <sup>3</sup> per annum of the Net Asset Value of the Class	<b>Management fees</b>  The management fees and costs accrue daily and will be payable to the Responsible Entity when Distribution or Redemption proceeds are payable to you.  The frequency of the Distributions payable to you is determined by the Coupon Payment and Maturity Date of the Underlying Bond to which your Units relate.  If a Coupon Payment is not paid on an Underlying Bond on a Coupon Payment Date or the Coupon Payment is insufficient and the relevant Unit has not been redeemed, the balance of the management fee which has not been paid on the Unit will be carried forward and deducted from the next Distribution or Redemption proceeds (even if the Unit has been transferred to a new Unitholder).  If, on the realisation of all the Assets in a Class, there are insufficient funds to pay the outstanding management fee in full, or in the case of a Unit that has been



		<p>redeemed there remains an outstanding management fee amount payable then the outstanding amount payable will be nil and no further management fee will be payable to the Responsible Entity out of the Assets or recoverable by the Responsible Entity from the Member.</p> <p><b>Custodial and fund administration costs</b></p> <p>The Trust may recover out of the assets of a Class the custodial and fund administration costs of the Trust that the Responsible Entity determines is referable to a Class as well as that portion of Trust expenses that should appropriately be allocated to a Class.</p> <p>These costs are accrued daily and paid as and when they are incurred by the Bond Manager or Responsible Entity and are reflected in the Unit Price for each Class.</p> <p>Certain wholesale investors may be able to negotiate the amount of the management fees and costs.</p>
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Nil <sup>4</sup>	Not applicable
<b>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE SCHEME)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	+0.05%/-0.05% <sup>4</sup>	This fee applies to all applications and redemptions and is factored into the Application Price you will pay or the Redemption Price you will receive at the time of the relevant application or redemption. Separately, you may incur brokerage costs when buying or selling Units in the Trust on the Securities Exchange.
<b>Withdrawal fee</b> The fee on each amount you take out your investment	For each Unit redeemed in a Class of Units 0.10% of the Net Asset Value of the Class divided by the Number of Units on issue in the Class of Units <sup>5</sup>	<p>The withdrawal fee payable on each Unit redeemed by an Authorised Participant will be deducted from the Redemption Price payable to the Unitholder.</p> <p>The withdrawal fee will not be payable in the case of Early Redemption by the Responsible Entity or the Underlying Bond Issuer or Automatic Redemption.</p>
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	There is no switching fee for moving from one Class of Units to another. The Responsible Entity does not provide a switching service in the way some Managed Funds do. Selling one Class of Units and buying another Class of Units on the Securities Exchange and another Class will incur brokerage costs from your stockbroker.

<sup>1</sup> All amounts are shown inclusive of GST and less any reduced input tax credits (where relevant).

<sup>2</sup> See "Additional explanation of fees and costs" for more details.

<sup>3</sup> The custodial and fund administration costs are fixed. Any costs in excess of the stated fee will be borne by the Responsible Entity or Bond Manager. The custodial and fund administration costs do not include Extraordinary Expenses.

<sup>4</sup> The transaction costs disclosed in this fees and costs summary are estimated amounts and are shown net of any recovery received by the Trust from the buy/sell spread charged to transacting Unitholders. Please refer to Section 10.5 "Additional explanation of fees and costs" in this PDS for further details.

<sup>4</sup> Refer to Section 10.5 "Additional explanation of fees and costs" of this PDS for more details.

<sup>5</sup> Redemptions by Authorised Participants, which exclude Early Redemptions by the Responsible Entity or the Underlying Bond Issuer and Automatic Redemptions, will incur both the buy/sell spread and the withdrawal fee totaling 0.15%. The buy-sell spread may change due to market conditions and the applicable buy-sell spread for the Units will be updated from time to time and published at [www.incomeam.com](http://www.incomeam.com).

### 10.3. Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs in the IAM Listed Bond ETF 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.

<b>EXAMPLE**– IAM Listed Bond ETF ETB01F - IAM WBC 7.199% 15/11/2038 Fixed to Floating Bond ETF</b>		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR</b>
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs	0.265%	<b>And</b> , for every \$50,000 you have in the Trust you will be charged or have deducted from your investment \$132.50 each year
<b>Plus</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>Plus</b> Transaction costs	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs
<b>EQUALS</b> Cost of IAM Listed Bond ETF ETB01F - IAM WBC 7.199% 15/11/2038 Fixed to Floating Bond	<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>\$132.50 to \$145.75*</b></p> <p><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b></p>	

\* Additional fees may apply.

\*\* This example is illustrative only and is subject to an assumption that the NAV of the Class of Units is \$25 at the time the Management fees and costs are accrued, and that the investor holds its Units at the beginning and end of each year.

**Establishment fee – \$0.00**

**And**, if you leave the managed investment scheme early, you will not be charged any **exit fees**. However, you may be charged **withdrawal fees** of 0.10% of your units redeemed (for example, \$50 for every \$50,000 you withdraw). Withdrawal fees will not be charged in the case of Early Redemption by the Responsible Entity or Automatic Redemption.

### 10.4. Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs. The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply refer to the Fees and costs summary for the relevant option.) You should use this figure to help compare this product with other products offered by managed investment schemes.

ETB01L – IAM CBA 6.46% 25/10/2033 Floating Bond ETF	Cost of product <b>\$132.50 to \$145.75</b>
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## 10.5. Additional explanation of fees and costs

The Responsible Entity has a right of indemnity out of the assets of the Trust (refer to Section 2.10 “Responsible Entity’s right of indemnity from the assets of the Trust” and Section 8 “Risks of Investing in Units” of this PDS). The Responsible Entity may utilise its right of indemnity to among other things cover unanticipated Extraordinary Expenses (refer to “Extraordinary Expenses” sub-section below), which are unanticipated expenses that may arise and are outside the expected normal operation of the Trust and Units in a Class.

### **Management fees and costs**

#### **Management fee**

Management fees and costs are paid out of the management fee and include all management fees and generally include all costs charged by the Responsible Entity and the Bond Manager for administering the Trust and the Units in each Class, excluding the custodial and fund administration costs and any Extraordinary Expenses (see further detail below). Any costs of the Fund have the effect of reducing the total management fee paid to the Responsible Entity and the Bond Manager.

Management costs may include, without limitation regulatory costs, normal legal costs, licensing costs, listing costs, Registry and Market Maker costs, CHESS costs, education and marketing costs, operational costs, indirect costs, and taxation costs.

#### **Custodial and fund administration costs**

Custodial and fund administration costs charged by the Custodian to the Responsible Entity are paid in addition to the management fees and costs. These costs charged to the Trust will reduce the Net Asset Value of the Class. The Responsible Entity will pay these invoices for these costs from the assets of the Trust referable to the relevant Class for which they are properly incurred and that proportion of the Trust’s costs properly allocated to that relevant Class.

Where appropriate, the custodial and fund administration costs will be apportioned between the Net Asset Value referable to each Class as these costs are incurred and are reflected in the Unit Price for each Class.

The Responsible Entity may also recover Extraordinary Expenses out of the assets of the Trust. These expenses are separate from the custodial and fund administration costs and are described in further detail below.

#### **Notification of changes to management fees**

The Responsible Entity reserves the right to change its fee structure generally in the future in response to the commercial environment. Any change to fees will be notified by publication of a new PDS or supplementary PDS (as required by law) and giving the Unitholders 30 days’ notice before the change to fees takes effect. Under the Constitution, the Responsible Entity may increase the management fee up to 2% of the Net Asset Value of the relevant Class of Units.

#### **Brokerage costs**

Investors will incur customary brokerage fees and costs when buying and selling Units on the Securities Exchange. Individual investors should discuss brokerage costs with their stockbroker or licensed financial adviser before buying or selling Units. Brokerage paid to stockbrokers for trading Units on the Securities Exchange is an expense for investors that is not linked to the fees payable to the Responsible Entity and Bond Manager.

#### **Extraordinary Expenses**

Extraordinary Expenses are unexpected expenses which may include all fees and costs properly incurred by the Responsible Entity which were not contemplated by the Responsible Entity at the date of this PDS (refer to the “Responsible Entity’s right of indemnity from the assets of the Trust” and “Risks of Investing in Units” sections of this PDS).

Extraordinary Expenses may include, for example and without limitation:

- the cost of calling and holding a meeting of Unitholders, if for example an Underlying Bond Issuer defaulted, and the Responsible Entity decided to hold a Unitholder meeting;
- the cost of defending legal proceedings, if for example somebody brought a legal action against the Trust; or
- the cost of specialist tax advice, if for example a tax issue arose for the Trust that was not contemplated at the date of this PDS.

The Trust's Constitution allows the Responsible Entity to deduct Extraordinary Expenses from the specific Class to which the expense(s) relate or the Trust's assets as a whole (as appropriate) as and when they are incurred. For the avoidance of doubt, Extraordinary Expenses are not included in the management fee or custodial and fund administration costs, nor are they paid by the Responsible Entity.

### **Transaction costs**

Transaction costs are paid out of the buy-sell spread applicable on applications for, and redemptions of, Units. A buy-sell spread applies to all applications and redemptions and is factored into the Application Price you will pay or the Redemption Price you will receive at the time of the relevant application or redemption.

Separately, you may incur brokerage costs when buying or selling Units in the Trust on the Securities Exchange, charged by the relevant broker through which you are buying or selling Units in the Trust.

### **Different fees for certain investors**

The law allows us to negotiate with, and offer lower or rebated fees to, Authorised Participants, "wholesale client" investors for the purposes of the Corporations Act, staff of the Responsible Entity or its related bodies corporate, or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be considered. The terms of these arrangements are at our discretion. Further information in relation to negotiating fees can be obtained by contacting us.

### **Fees and costs to apply uniformly**

The fees and other costs described in this section are applied uniformly across each Class of Units offered under this PDS.

### **GST**

All fees and costs set out in this PDS are inclusive of GST and net of any input tax credits (including any reduced input tax credits) which may be available to the Trust, unless otherwise stated. The Responsible Entity may be liable to pay GST on the fees and costs charged by the Responsible Entity in respect of the Trust. Input tax credits (including any reduced input tax credits) may be available to the Responsible Entity which would allow the Trust to claim back a percentage of GST the Responsible Entity pays on acquisitions made in respect of the Trust, depending on the precise nature of the expenses incurred. The remaining portion of GST that the Responsible Entity is not entitled to claim back is a real cost to the Responsible Entity. If the Responsible Entity is liable to pay GST on the fees and costs charged by the Responsible Entity in connection with the Trust, it may recover an amount equal to the GST paid from the Trust's assets as a whole to the extent allowable under the Trust's Constitution. For more information on tax associated with the Trust, refer to the "Taxation" section of this PDS.

### **Related party profits from Underlying Bond transactions**

IAM Capital Markets Ltd ("IAM Capital Markets") is a wholly owned subsidiary of Income Asset Management Group Limited, and sister entity of Trustees Australia Limited and ETB Pty Ltd. IAM Capital Markets is a fixed income broker operating within the Australian OTC bond market. The Responsible Entity may transact with IAM Capital Markets as principal, along with other trading counterparties in the OTC bond market, in respect of the purchase and sale of Underlying Bonds in the Trust. IAM Capital Markets will charge a margin on the transaction, which will be included in the price of the transaction.

This margin is applicable to each transaction undertaken by IAM Capital Markets clients and counterparties, including the Trust, and is calculated based on the execution price of the transaction and the category of security purchased or sold. The margin is applied at between 10 and a maximum of 35 basis points of the execution price for the transaction. This is considered reasonable remuneration for the services provided by IAM Capital Markets and IAM Capital Markets does not otherwise charge fees in respect of transactions undertaken with the Trust or clients.

We do not consider there to be any risks specific to the arrangement which would not otherwise exist if the Responsible Entity or Bond Manager transacted or interacted with a separate third-party entity in respect of the purchase and sale of Underlying Bonds in the Trust to facilitate liquidity in the Units. Each transaction will be entered into on arm's length terms for reasonable remuneration. Further detail in relation to Conflicts of Interest and how the IAM Group manages them is set out in Section 11.

## **11. CONFLICTS OF INTEREST**

Trustees Australia Limited and its related bodies corporate IAM Capital Markets Limited and the Bond Manager perform a number of roles in relation to the Trust including:

- ETB Pty Ltd acting as Bond Manager with investment discretion over the Underlying Bonds selected for the Trust and determining who to buy the Underlying Bonds from and who to sell them to and for how much;
- IAM Capital Markets Ltd as principal selling and buying Underlying Bonds (i.e., it may sell Underlying Bonds to, and buy Underlying Bonds from, the Bond Manager on behalf of the Responsible Entity);
- IAM Capital Markets Ltd acting as the arranger or distributor for Underlying Bonds invested in by the Trust; and
- in the future, Trustees Australia Limited possibly appointing another related body corporate as the Market Maker and pay it fees.

These roles raise a number of potential conflicts of interest for the Responsible Entity, IAM Capital Markets and Bond Manager in relation to the Trust.

When you apply for Units in the Trust, you give your consent to Trustees Australia, IAM Capital Markets and the Bond Manager's conflicts of interest.

### **11.1. IAM Capital Markets selling and buying Underlying Bonds**

IAM Capital Markets Ltd may (as principal) sell Underlying Bonds to, and buy Underlying Bonds from, the Responsible Entity and may profit from the transactions. These transactions will be brokered by the Bond Manager. Under these principal transactions, IAM Capital Markets acts (in a principal capacity) as the counterparty, that is, the seller or purchaser of the Underlying Bonds that are bought or sold by the Responsible Entity. Given that the Bond Manager, the Responsible Entity and IAM Capital Markets are related bodies corporate, the Responsible Entity faces potential conflicts of interest in relation to IAM Capital Markets's principal dealing with the Responsible Entity in respect of the Trust, which are managed as set out in this PDS.

Best execution principles will be adopted in respect of each transaction, with each transaction having a "base price" (maximum price for purchases and minimum price for sales) at which the Responsible Entity will transact with IAM Capital Markets. The "base price" will be determined by the better of the Bloomberg average bid-price published, IAM Capital Markets price or a third-party dealer price which meets trade volume requirements, in respect of the relevant Underlying Bond. The base price will form the maximum price (for purchases of Underlying Bonds) and the minimum price (for sales of Underlying Bonds) at which the Responsible Entity will transact with IAM Capital Markets. In each case, the Bond Manager acting on behalf of the Responsible Entity might negotiate a price with IAM Capital Markets that is as favourable or more favourable than the base price.

All negotiated transactions entered into by the Responsible Entity with IAM Capital Markets, will be subject to approval of the ETF Committee to ensure that all transactions entered into with IAM Capital Markets are undertaken at a price as or more favourable than the base price. The ETF Committee will include one representative of the Bond Manager, two representatives of the Responsible Entity and an independent or external member.

### **Underlying Bonds arranged by IAM Capital Markets**

IAM Capital Markets Ltd carries on a business of sourcing, structuring, arranging and distributing new bonds and securities issued by various corporations or entities including Underlying Bonds ("**IAM Arranged Bonds**"). IAM Capital Markets earns fees from the issuer for providing this service and may act as the custodian on behalf of the holders of these bonds.

IAM Arranged Bonds may also be subject to secondary market trading activity by IAM Capital Markets from time to time. The Bond Manager and Trustees Australia face potential conflicts of interest in relation to the Trust investing in IAM Arranged Bonds because the IAM Group's interests might be advanced by acquiring an IAM Arranged Bond on behalf of the Trust (for example, IAM Capital Markets's fees might be increased if more IAM Arranged Bonds are sold, and/or its reputation might be enhanced by ensuring a successful capital raising, with strong pricing). These interests could conflict with the interests of Unitholders of a Class or the Trust as a whole.

You should be aware that for a limited number of Underlying Bonds (including IAM Arranged Bonds) IAM Capital Markets may be the major dealer in an Underlying Bond. As a consequence, the valuation for such Underlying Bonds may be influenced by the Underlying Bond prices supplied by IAM Capital Markets to the independent provider of fixed income valuations however pricing will be sourced from Bloomberg (or another independent and reliable data-source), based on the average bid-price in respect of the relevant Underlying Bond.

Any transactions which are entered into with respect to IAM Arranged Bonds between IAM Capital Markets and the Bond Manager will be entered into on arm's length terms for reasonable remuneration.

The Trust is eligible to participate in the new issue or secondary trading of an IAM Arranged Bond subject to the limitations stated in this PDS.



## **IAM Capital Markets distributing non-IAM Arranged Bonds**

IAM Capital Markets acts as the distributor of new issues of financial products arranged by third parties, whereby IAM Capital Markets will be paid a fee by the originator or arranger. In these instances, the fee payable differs with each issue. The level of fee will be disclosed in the disclosure document for the issue and is likely to be between 0.25% and a maximum of 5.00% of the issue value.

The Bond Manager and Responsible Entity face potential conflicts of interest in relation to acquiring IAM Capital Markets distributed by non-IAM arranged Underlying Bonds because the IAM Capital Market's fees might be increased by the Responsible Entity acquiring an IAM Capital Market's distributed Underlying Bond on behalf of the Trust.

### **11.2. Appointing a related body corporate as Market Maker in the future**

In future, at the sole discretion and election of the Responsible Entity and subject to regulatory approvals and Unitholder notifications, a related body corporate of the Responsible Entity may provide liquidity to investors on the Securities Exchange by acting as the Market Maker and buy and sell Units.

### **11.3. Other conflicts**

There may be other conflicts that arise between the Responsible Entity and members of the IAM Group or the interests of Unitholders of the Trust. The IAM Group will manage these conflicts as and when they are in accordance with the IAM Group's Conflicts of Interest Policy. The IAM Group manages these conflicts of interest through the separation arrangements described below.

### **11.4. Governance and separation**

The Responsible Entity and the Bond Manager are separate legal entities within the IAM Group and are operationally separated from any IAM Group business unit that may sell, buy, issue or arrange financial products that may be held by the Trust, including:

- the IAM Capital Markets team, which is responsible for:
  - arranging the issue of IAM Arranged Bonds; and
  - for dealing as a counterparty to Managed Portfolio Account(s) in some circumstances (e.g., where independent third party buyer or seller cannot be sourced);
- the IAM Research team;
- IAM Group dealers, who provide direct clients with fixed income dealing services.

The IAM Group maintains separation of its business units, which include:

- separate personnel being members of each team (i.e., an individual IAM Group employee (other than a Division Head) cannot perform functions across multiple business units);
- physical separation between teams and business units;
- independent reporting lines, to ensure that staff of the Responsible Entity or Bond Manager do not report to managers of other potentially conflicting teams (i.e., the IAM Capital Markets team, or the IAM Group dealers); and
- a clear remuneration policy that does not reward staff of the Responsible Entity or Bond Manager for activities or profits of the other business units.

IAM Group provides annual training with respect to its various regulatory obligations including the adequate management of conflicts of interest.

### **11.5. Supervisory Arrangements**

The Responsible Entity, the Bond Manager and IAM Capital Markets are separate legal entities within the IAM Group, are operationally separated and subject to the following supervision arrangements with respect to conflicts of interest:

- IAM Group Conflicts of Interest Policy which aims to identify and prescribe treatment for actual, apparent or potential conflicts of interest including the management and reporting of any actual conflicts which arise;
- IAM Group adopts a practice of continuous disclosure of conflicts of interest including with respect to Boards of Directors, Audit, Risk and Compliance Committees and Responsible Entity Compliance Committees, requiring written disclosure of any conflicts to enable effective management of those conflicts;
- IAM Group engages an independent Legal and Compliance functions including the engagement of external resources, to monitor, assess and manage the group's compliance with regulatory and policy requirements more effectively and independently. Income Asset Management Group Limited engages an external Company Secretary on its Board of Directors;
- Trustees Australia and IAM Capital Markets are each subject to their own independent annual Australian Financial Services Licence ("AFSL") audit, which seeks to establish each entity's compliance with its AFSL obligations

including identifying practices and/or events of non-compliance, including with respect to the adequate management of conflicts of interest;

- Trustees Australia and IAM Capital Markets are each subject to internal audits which are aimed at continuously monitoring different aspects of AFSL compliance on a rotating basis, of which the management of conflicts of interest is a component; and
- each of the Board of Directors of the Income Asset Management Group Limited subsidiaries, and ultimately the Board of Directors of Income Asset Management Group Limited have responsibilities for the oversight and management of conflicts of interest through the establishment, enforcement and continuous improvement of appropriate governance structures.

## 12. TAXATION

The purpose of this summary is to explain, in general terms, the key Australian tax implications to a potential investor who is considering investing in the Trust.

Unless otherwise specified, this summary assumes that the potential investor:

- is, and will continue for the duration of their investment in the Trust to be, an Australian resident (and not a foreign resident or a temporary resident) for Australian tax purposes that does not, and will not, hold their investment in connection with an offshore permanent establishment;
- does not, and will not at any time, hold their Units as trading stock; and
- is not subject to the Taxation of Financial Arrangement ("**TOFA**") provisions.

This summary is prepared on the basis that the potential investor will hold their Units on capital account. It is possible that a potential investor may hold their Units on revenue account. This summary is necessarily of a general nature and does not take into account the specific circumstances of each investor or deal with certain types of investors (including, without limitation, those who are custodians, who buy and sell Units in the course of a business that involves trading in financial instruments or securities, or who are subject to concessionary tax rules or otherwise exempt from tax). Accordingly, a potential investor should not rely on this summary and should seek their own professional taxation advice that takes into account their particular circumstances before making any investment or other decision in relation to investing in the Units.

This summary is based on current Australian taxation law and stamp duty law as at the date of this PDS. However, taxation issues are complex and taxation laws, their interpretation by the Courts and the associated administrative practices of the Australian Taxation Office ("**ATO**") and state revenue authorities may change over the term of an investment in the Trust.

### 12.1. Classification of the Trust

The Trust may be a managed investment trust ("**MIT**"). Broadly, MITs are a type of unit trust that satisfy a number of requirements including that:

- they must not carry on a 'trading business';
- they must be 'widely held' and not 'closely held'; and
- the trustee of the unit trust must be Australian resident, or the central management and control of the trust must be in Australia.

Whether the Trust qualifies as a MIT will largely depend on the identity of the Unitholders.

If the Trust is a MIT, it is expected that the Responsible Entity will elect into the attribution managed investment trust ("**AMIT**") regime and make an 'AMIT Class Election' (the effect of the AMIT Class Election being that each class of Units will be treated as a separate trust for tax purposes). For each income year in which the Trust satisfies the requirements to be an AMIT, the Responsible Entity should not, itself, be subject to Australian income tax. This is provided that Unitholders are attributed all of the determined trust components of the Trust under the AMIT regime, which is intended to be the case (refer section "Taxation of distributions from the Trust" below).

Where the AMIT regime does not apply to the Trust for an income year (i.e. if the Trust does not satisfy the MIT qualification requirements for that year), the Responsible Entity should not itself be subject to Australian tax in respect of the net income (i.e. the taxable income for Australian tax purposes) of the Trust. This is on the basis that in each such income year:

- the Unitholders should be 'presently entitled' to all of the income of the Trust (referred to as 'Distributable Income' in the Constitution); and
- the Trust is expected to be managed so as not to be a 'public trading trust' for Australian tax purposes.

The Responsible Entity intends to operate the Trust such that the Unitholders are 'presently entitled' to all of the Distributable Income of the Trust in each income year. If this does not occur, income tax may become payable by the Responsible Entity in connection with such share of net income as is proportional to the Distributable Income to which Unitholders are not presently entitled.

Tax losses may also arise in the Trust (rather than net income). Such tax losses will not be directly available to Unitholders. It may, however, be possible for those tax losses to be utilised by the Trust in a future income year (subject to satisfying the applicable trust loss utilisation provisions). Where a tax loss arises for a particular AMIT Class, that tax loss cannot be utilised to offset the net income arising for another AMIT Class. Where the AMIT regime does not apply to the Trust for an income year and a notional tax loss arises for a particular Class of Units, that notional tax loss may offset the notional net income arising for another Class of Units and that notional tax loss may not be available to be utilised to offset any future notional net income arising for that loss-generating Class.

## **12.2. Taxation of distributions from the Trust**

### ***AMIT income years***

#### ***Distributions to Unitholders***

Where the Trust satisfies the requirements to be an AMIT for an income year, Unitholders will be assessed on an attribution basis - that is, based on the amount and character of taxable income (the 'determined trust components') which the Responsible Entity "attributes" to the Unitholder for that income year and sets out in an annual statement from the Responsible Entity, rather than based on the share of the income of the Trust to which the Unitholder is presently entitled.

The AMIT regime provides for a number of other features, including:

- deemed 'fixed trust' treatment which facilitates the Trust being able to carry forward tax losses; and
- certainty with respect to how any "under" or "over" distributions of income are dealt.

Where the taxable income "attributed" to the Unitholder for an income year is less than or greater than the cash distributed to the Unitholder, this may result in a decrease or increase (respectively) of the cost base of the Unitholder's Units. These cost base adjustments will be set out in the annual statement from the Responsible Entity. Where the adjustment for a particular income year is a net decrease amount that exceeds the cost base of the Unitholder's Units, the Unitholder may be taxed on the excess.

#### ***MIT capital/election regime***

MITs are able to make an irrevocable election to apply the CGT regime as the primary code of taxing certain asset disposals, subject to certain integrity provisions. However, such deemed capital account treatment will not apply to the income and gains derived by the Trust in respect of the Underlying Bonds.

#### ***MIT non-arm's length income rules***

Another aspect of the AMIT regime is the non-arm's length income rules. These rules apply to MITs irrespective of whether they have made an election to apply the AMIT regime.

Under the non-arm's length income rules, the trustee of a MIT is liable to pay tax, at the corporate tax rate (currently 30%) on any income generated by the MIT that exceeds an arm's length amount. It is not expected that the Trust will generate any non-arm's length income.

#### ***Taxation of financial arrangement (TOFA) rules***

The TOFA rules may apply to "financial arrangements" (e.g. debt securities) held by the Trust, irrespective of whether the AMIT regime applies to the Trust for an income year. The TOFA rules may apply to an entity's gains or losses from a financial arrangement if certain criteria are satisfied, including, for example, if the value of the entity's financial assets for the income year in which the financial arrangement comes into existence is \$100 million or more.

Under the TOFA rules, there are different methods available to recognise gains and losses from financial arrangements in an entity's taxable income. Where the TOFA rules apply to the Trust, the Responsible Entity may determine the appropriate method to apply.

## **Non-AMIT income years**

Where the AMIT regime does not apply to the Trust for an income year, Unitholders will be assessable on their proportionate share of the net taxable income of the Trust for the year to which the net taxable income relates, even if the corresponding distribution of income of the Trust is not received until after the end of the income year.

Depending on the particular circumstances of the Trust in a financial year, the proportionate share of the net taxable income of the Trust which is required to be included in a Unitholder's assessable income may be more than the distribution that is received by the Unitholder in that financial year.

The Responsible Entity intends to distribute all of the Trust's Distributable Income to the Unitholders each year. Where a Unitholder holds Units in a Class at the end of a distribution period, the Unitholder will be entitled to a portion of the Distributable Income attributable to that Class. Where a Unitholder redeems any Unit in a Class during a financial year, part of the redemption proceeds received by the Unitholder may consist of the Unitholder's entitlement to a portion of the Distributable Income attributable to the Class. For completeness, a Unitholder's entitlement is determined by reference to the relevant Underlying Bond in the Class in which they hold Units, but the Unitholder will not have an entitlement to, or interest in any particular Underlying Bond.

A Unitholder's share of the net taxable income of the Trust may consist of various components which have been received or realised by the Trust. It is expected that the Trust will derive amounts of interest in the form of Coupon Payments and gains arising on maturity, or from the disposal, of the Underlying Bonds.

It is also possible for Unitholders to receive a tax deferred amount in relation to their distribution from the Trust (that is, an amount which is either in whole or in part non-assessable for Australian tax purposes). This may arise where the distribution received from the Trust exceeds the part of the net taxable income of the Trust which is to be included in the assessable income of a Unitholder, or where the Trust undertakes a return of capital. The cost base of the Unitholder's Units may be decreased by the amount of any tax deferred amount the Unitholder receives. Where such tax deferred amount exceeds the Unitholder's cost base of the Units, the Unitholder may be taxed on the excess.

### **12.3. Disposal or redemption of Units in the Trust**

The disposal or redemption of a Unit is a taxable event. To the extent that the proceeds on disposal or redemption exceed the cost base of the Unit, the Unitholder will make a capital gain. If, however, the proceeds on disposal or redemption are less than the Unitholder's cost base, the Unitholder should make a capital loss.

Investors should seek their own professional taxation advice that takes into account their particular circumstances regarding the tax consequences of applying for, redeeming or otherwise disposing of Units.

### **12.4. Tax File Number**

Under the *Income Tax Assessment Act 1936* (Cth) we are permitted to collect your Tax File Number ("**TFN**"), however Unitholders are not required to quote their TFN to us.

It is not an offence if a Unitholder decides not to supply its TFN, however, if a TFN or Australian Business Number ("**ABN**") (if applicable) is not provided, or relevant exemption is not claimed, in relation to a Unitholder's investment in the Trust, an amount will be deducted from the amount of the distribution otherwise to be paid to the Unitholder (calculated at the highest marginal rate plus Medicare levy), and remitted to the ATO. The amount of any such withholding will appear on the Unitholder's statements.

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

GST applies at the rate of 10% to 'taxable supplies'. For GST purposes, the following should not attract GST for either the Responsible Entity or Unitholders:

- the subscription for, issue and redemption of the Units; and
- the payment of distributions in relation to the Units.

An investor may not be entitled to claim any 'input tax credits', including 'reduced input tax credits', for GST that it pays on acquisitions that the investor makes in connection with its investment in the Units (such as, for example, the acquisition of third-party services). The availability of input tax credits will depend on an investor's particular circumstances. Investors should seek their own professional advice as to whether they are entitled to claim input tax credits in their particular circumstances.

## **12.6. Stamp Duty**

A transfer or issue of Units should not be subject to Australian stamp duty provided that, at the time of the transfer or issue (as applicable), all of the Units are quoted on the Securities Exchange and no investor (individually, with associates or under associated transactions) acquires 90% or more of the issued Units.

## **13. ADDITIONAL INFORMATION**

### **13.1. Trustees Australia Limited as the Responsible Entity**

Trustees Australia Limited, as Responsible Entity, is solely responsible for all compliance and regulatory aspects of operating the Trust. The Responsible Entity holds an AFSL (No. 260038), which authorises it to act as the responsible entity of the Trust. The Responsible Entity issues units in managed investment schemes in the Australian market. The Responsible Entity establishes funds with quality investment managers to deliver investors clear and desirable investment options.

The powers and duties of the Responsible Entity are set out in the Trust's Constitution, the Corporations Act and general trust law. The duties of the Responsible Entity under the Corporations Act include:

- treating the Unitholders who hold interests of the same Class equally and Unitholders who hold interests of different Classes fairly;
- acting in the best interests of investors and, if there is a conflict between investors' interests and the Responsible Entity's interests, giving priority to investors' interests;
- ensuring that Trust property is clearly identified as Trust property and held separately from property of the Responsible Entity and property of any other fund, and is valued at regular intervals;
- ensuring that payments out of Trust property are made in accordance with the Corporations Act; and
- reporting to the ASIC any reportable situation involving any significant breach of the Corporations Act in relation to the Trust,

Subject always to any liability which the Corporations Act might impose on the Responsible Entity, the Responsible Entity is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Trust. The liability of the Responsible Entity to any person other than an investor in respect of the Trust is limited to the Responsible Entity's actual indemnification from the Trust's assets for that liability. The Responsible Entity has a compliance plan for the Trust which details the methods it takes to ensure that in operating the Trust it complies with the Corporations Act and the Trust's Constitution.

### **13.2. The Constitution**

The Responsible Entity's responsibilities and obligations as Responsible Entity are governed by the Trust's Constitution. Under the Constitution, the Responsible Entity has all the powers of a natural person in respect of the Trust. The Constitution contains a number of provisions relating to the rights of investors and the obligations of the Responsible Entity. This PDS outlines some of the more important provisions of the Constitution.

The Constitution gives the Responsible Entity the right to be paid fees and costs from the Trust, and governs matters such as investor meetings, the issue and redemption of Units and Unit pricing, as well as what happens when the Trust is terminated. The Constitution may be amended by the Responsible Entity if it reasonably considers the amendments will not adversely affect investors' rights or otherwise, if the amendment is approved by a resolution of investors at a meeting of members of the Trust. Requirements for meetings of members of the Trust, including for the calling of meetings, notice requirements for meetings and voting rights at meetings, are mostly set out in the Corporations Act.

The Responsible Entity may retire or be required to retire as responsible entity (if investors vote for its removal in accordance with the provisions of the Corporations Act). No units may be issued after the 80<sup>th</sup> anniversary of the date of the Constitution. The Responsible Entity may exercise its right to terminate the Trust earlier. We will provide investors with a copy of the Constitution upon request.

### **13.3. Investor Liability is Limited**

The Constitution expressly limits the liability of investors in the Trust. In the absence of separate agreement with an investor, the recourse of the Responsible Entity and any creditor of the Trust against an investor in connection with the Trust is limited to the Trust's assets (i.e., the amount an investor invests in the Trust).

The Responsible Entity is entitled to be indemnified by an investor or former investor to the extent that the Responsible Entity incurs any liability for tax or other liabilities the Responsible Entity considers should be properly borne by an investor as a result of the investor's action or inaction, or as a result of an act or omission requested by the investor or former investor. The Responsible Entity may redeem some or all of the Units held by an investor to satisfy any amount of money due to it by the investor.



An investor need not indemnify the Responsible Entity if there is a deficiency in the Trust's assets or meet the claim of any creditor of the Responsible Entity in respect of the Trust.

#### **13.4. ETB Pty Ltd as Bond Manager**

ETB Pty Ltd manages the Trust's assets on behalf of the Responsible Entity and the assets of the Trust based on knowledge of the Underlying Bonds available in the wholesale market and discussions about the suitability of particular bonds for investors with banks, brokers, fixed income market counterparties and other advisory firms.

ETB Pty Ltd is responsible for growing the market in Units and marketing of Units to stockbrokers, advisers and end investors. It also ensures there is integrity in the day-to-day operations and processes of the Trust and the Units, and the interactions between the Market Maker, Authorised Participants, the Custodian, the Responsible Entity, the Registry, the Securities Exchange and ASIC.

ETB Pty Ltd may not change the Underlying Bond in respect of a Class of Units. If the Underlying Bond is no longer available, have been called or otherwise terminated by the Underlying Bond Issuer, the Units will be redeemed and the proceeds from the Underlying Bond Issuer, if any, will be paid, less fees and costs, to the Unitholders in that Class on a pro rata basis.

#### **13.5. Reliance on ASIC Instrument 2024/147**

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 ("**ASIC Instrument**") exempts the Responsible Entity from the equal treatment requirement in section 601FC(1)(d) of the Corporations Act, to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants. The Responsible Entity will not treat Unitholders of the same Class equally to the extent that it restricts redemptions from the Trust to such Authorised Participants.

Reliance on the ASIC Instrument is subject to a condition that all Unitholders in a particular Class will have a right to a cash redemption and to receive payment within a reasonable time if that Class of Units are suspended from quotation on the Securities Exchange for more than five consecutive trading days, unless:

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

#### **13.6. Complaints**

The Responsible Entity has arrangements in place for handling complaints. If you have a complaint regarding the Trust or our services, please contact us either by phone or in writing. Our procedures ensure that we acknowledge any written complaint within 1 day of receipt or as soon as reasonably practicable, and deal with complaints, as soon as possible but within 30 days of receipt. If we are unable to provide you with a final response within 30 days, we will inform you of the reason for the delay, provide an estimate of when a response will be sent to you and provide updated regarding the progress of your complaint.

Complaints can be directed to:

Trustees Australia Limited  
Level 11, 4 Martin Place  
Sydney NSW 2000  
Tel: 1300 784 132

If we are unable to resolve the complaint or you are dissatisfied with our final response you may be able to refer the complaint to the Australian Financial Complaints Authority ("**AFCA**"):

Online: <https://www.afca.org.au/>  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Tel: 1800 931 678 (free call)  
Mail: Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

Time limits may apply to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if, or when, the time limit relevant to your circumstances expires. Monetary and other jurisdictional limits may also apply to AFCA and so you should consult the AFCA website to find out if you are eligible to have a complaint heard by AFCA and the applicable monetary limit in respect of the maximum value of a claim and the maximum compensation payable. AFCA is an independent body and is approved by ASIC to consider complaints.

### **13.7. Keeping Unitholders Informed**

The Responsible Entity will undertake the following:

- confirm every transaction made by Unitholders in relation to the Trust;
- confirm any variation to the terms of the product held by the Unitholder;
- confirm any redemption or surrender of the product by a Unitholder;
- provide transaction statements at least annually summarising all relevant transactions in relation to the Trust;
- provide access to the annual financial statements of the Trust as soon as practical from the end of the financial year on the Trust's website at: [www.incomeam.com](http://www.incomeam.com); and
- provide Unitholders with a tax statement for Australian resident investors to help with tax returns at financial year-end.

The Responsible Entity will make any necessary continuous disclosure as required by the Corporations Act via [www.incomeam.com](http://www.incomeam.com) in accordance with ASIC's good practice guidance. Copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office. Unitholders in a Class of Units in the Trust have the right to obtain a copy of the Trust's annual financial reports most recently lodged with ASIC and any half year financial reports lodged with ASIC.

### **13.8. Privacy Policy**

As required by law, we have adopted a Privacy Policy which governs the collection, storage, use and disclosure of personal information. Should you apply for Units by lodging an application form (applicable to Authorised Participants only), by signing the application form, you acknowledge and agree to us collecting, storing, using and disclosing your personal information in accordance with our Privacy Policy. This includes using your personal information to process your application for the Units, issue Units, manage your investment and comply with relevant laws. For example, your personal information may be used to ensure compliance with all applicable regulatory or legal requirements including but not limited to the AML/CTF Act, Corporations Act, superannuation law and the requirements of ASIC, ATO, AUSTRAC, Cboe and other regulatory bodies or relevant exchanges. If you do not provide the personal information required, your application may not be processed.

We may be required to disclose some or all of your personal information, for certain purposes (as described under the Privacy Act 1988 (Cth)) to our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and distribution of statements, such as registries, custodians, auditors of the scheme and certain software providers related to the operational management and settlement of Units, or to your financial adviser if you provide us with written consent to do so. If any of these disclosures require the transfer of your personal information outside of Australia, you consent to such transfer. All personal information collected by Trustees Australia will be collected, used, disclosed and stored by Trustees Australia in accordance with the Income Asset Management Group Limited Privacy Policy, a copy of which will be made available to you on request. To obtain a copy, please contact Trustees Australia at [compliance@incomeam.com](mailto:compliance@incomeam.com) or [www.incomeam.com](http://www.incomeam.com). You can access the personal information Trustees Australia holds about you. If you acquire Units, Trustees Australia and/or its associates may wish to communicate with you in the future, including by email, about other investment opportunities which may be of interest to you, and you agree to be contacted for these purposes. If you do not wish to be contacted for these purposes, please contact Trustees Australia on 1300 784 132 or [compliance@incomeam.com](mailto:compliance@incomeam.com).

The appointed Share Registry may collect your personal information for the primary purpose of providing custodial services to Trustees Australia as Responsible Entity for the IAM Listed Bond ETF and for ancillary purposes detailed in its Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by the Share Registry and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Share Registry's Privacy Policy at <https://www.apexgroup.com/privacy-policy/>. The Share Registry may disclose your personal information, such as your name and contact details, along with your account information to its related bodies corporate, the Responsible Entity, Bond Manager, professional advisers and/or as otherwise instructed by the Bond Manager. The Share Registry is also permitted to collect and disclose your personal information when required or authorised to do so by law. The Share Registry is not likely to disclose your personal information to overseas recipients.

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

The Australian government has entered into an Inter-Governmental Agreement ("IGA") with the US Government for the exchange of US taxpayer information, has signed up to the CRS and enacted domestic law to implement the CRS. Under the IGA and domestic laws, Australian financial institutions (including managed investment schemes) must identify all account holders, unitholders and investors, and report account information of foreign tax residents to the Australian Taxation Office ("ATO"). The ATO may then exchange this information with the foreign jurisdiction of which the account holder is a tax resident, if that jurisdiction is the US or is otherwise participating in the CRS.

To meet these obligations, each account holder, unitholder or investor must complete the Self-Certification Declaration Form included within the application form or as provided by the registry. Failure to provide the requested information may result in withholding tax being deducted or penalties imposed by the tax authorities. Neither Trustees Australia nor the Bond Manager are able to provide you with any tax or professional advice in respect of FATCA, the IGA, the CRS or domestic tax legislation and we encourage you to seek advice from a tax or professional advisor in relation to completing the form.

### 13.10. Disclaimers

The entities that issue the Underlying Bonds (i.e. the Underlying Bond Issuers) do not sponsor, endorse, sell or promote Units and are likely to be unaware of this document or the existence of the Units. The Underlying Bond Issuers:

- do not make any representation or warranty, express or implied, as to the advisability of investing in Units;
- have not participated in the preparation of this document, determination of the price of Units, the amount of Units to be issued, the timing of issuance of the Units, or the equation by which Units are to be converted into cash, surrendered or redeemed, as the case may be;
- are not associated with Units in any way, apart from the fact the Responsible Entity chose to create a Class of Units over such Underlying Bond Issuer's bonds; and
- have no obligation or liability in connection with the administration, marketing or trading of Units.

The approval of Units or admission of Units to be traded or quoted on the Securities Exchange does not imply any guarantee or warranty by the Securities Exchange as to the viability of the Units.

### 13.11. Consents

Each of the parties listed in the table below:

- has consented in writing to and has not, before the lodgement of this PDS with ASIC, withdrawn its written consent to:
  - be named in this PDS in the form and context in which it is named;
  - (in the case of the Bond Manager) to the extent that this PDS contains statements by the Bond Manager or includes statements based on any statement of or information provided by the Bond Manager, each such statement being included in this PDS in the form and context in which it appears;
- has not caused or authorised the issue of this PDS;
- has not made and does not purport to make any statement or representation in this PDS or any statement on which a statement in this PDS is based, other than with respect to its name and role (except, in the case of the Bond Manager, to the extent of the statements included in this PDS with the Bond Manager's consent as described above); and
- to the maximum extent permitted by law, disclaims and takes no responsibility for any statements or material in, or omissions from any part of the PDS, other than with respect to its name and role (and, in the case of the Bond Manager, the statements included in this PDS with the Bond Manager's consent as described above).

NAME	ROLE
Apex Fund Services Pty Ltd	Custodian
Apex Fund Services Pty Ltd	Registry
Cboe Australia Pty Ltd	Securities Exchange
ETB Pty Ltd	Bond Manager
King & Wood Mallesons	Australian legal and tax advisers
Ernst & Young	Auditor

## 14. CONTACT DETAILS

<b>Responsible Entity</b>	Trustees Australia Limited ABN 63 010 579 058 AFSL 260038 Level 11, 4 Martin Place Sydney NSW 2000 Telephone: 1300 784 132 <b>www.incomeam.com</b>
<b>Bond Manager</b>	ETB Pty Ltd ACN 670 409 462 Corporate Authorised Representative no. 001305688 Level 11, 4 Martin Place Sydney NSW 2000 Telephone: 1300 784 132 <b>incomeam.com</b>
<b>Custodian</b>	Apex Fund Services Pty Ltd ACN 118 902 891 GPO Box 4968 Sydney NSW 2001 <b>www.apexgroup.com</b>
<b>Registry</b>	Apex Fund Services Pty Ltd ACN 118 902 891 GPO Box 4968 Sydney NSW 2001 <b>www.apexgroup.com</b>
<b>Australian Legal and Tax Advisors</b>	King & Wood Mallesons Level 61 Governor Phillip Tower 1 Farrer Sydney NSW 2000 <b>www.kwm.com</b>
<b>Auditor</b>	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 <b>www.ey.com</b>

## 15. KEY TERMS

Below is a list of the key terms, defined terms and other terms used in this PDS:

TERM	DEFINITION
<b>\$, A\$ or dollar</b>	Australian Dollars.
<b>AML/CTF Act</b>	Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth).
<b>APRA</b>	Australian Prudential Regulation Authority.
<b>Assets</b>	Means all the property rights and income of the Trust, but not application money or property in respect of which Units have not yet been issued, proceeds of redemption which have not yet been paid or any amount in any distribution account.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691, trading as the Australian Securities Exchange, or the market it operates (as the context requires).
<b>Austraclear</b>	Austraclear Limited is a wholly-owned subsidiary of ASX Ltd. Austraclear provides transaction settlement and depositary services for the fixed income market.

<b>Automatic Redemption</b>	The process of redeeming Units without any further action being taken by the Unitholder. Automatic Redemption occurs following the redemption of Underlying Bonds on the Maturity Date.
<b>Base Terms</b>	The base document that describes the generic terms of issue of a program of debt capital issuance. The Base Terms do not include the specific terms of an issue of bonds. The Base terms are often contained in the Information Memorandum or Offering Circular.
<b>BBSW</b>	Bank Bill Swap (BBSW) Benchmark Rate.
<b>Bond Manager</b>	ETB Pty Ltd (ACN 670 409 462, corporate authorised representative No. 001305688). The entity that manages the day-to-day operations of the Trust and all of the education and marketing activities around Units.
<b>Business Day(s)</b>	The days identified by the relevant Securities Exchange upon which settlement occurs, or more generally, the day that Cboe Securities Exchange is open for trading.
<b>Cboe</b>	Cboe Australia Pty Ltd ACN 129 584 667, trading as Cboe Australia, or the market it operates (as the context requires).
<b>Cboe Operating Rules</b>	Cboe Operating Rules means the operating rules of the Cboe Securities Exchange as amended, varied or waived from time to time.
<b>CHESS</b>	Clearing House Electronic Sub-register System, the Australian settlement system for equities and other issued products traded on ASX and other exchanges. CHESS is owned by ASX Ltd.
<b>Class</b>	Means a Class of Units in respect of a separate Underlying Bond by an Underlying Bond Issuer.
<b>Constitution</b>	The constitution of the Trust.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Coupon or Coupon Payment</b>	Any payments made by an Underlying Bond Issuer in respect of an Underlying Bond including any coupons, interest payments or other payments in relation to an Underlying Bond.
<b>Coupon Payment Date(s)</b>	Means the date or dates on which the Underlying Bond Issuer has agreed to make Coupon Payments, which may be annually, semi-annually, quarterly or monthly.
<b>Coupon Period</b>	The period between two adjacent Coupon Payment Dates (and including the second Coupon Payment Date) in which interest is accruing for the benefit of the holder of an Underlying Bond.
<b>Coupon Rate</b>	The interest rate the Underlying Bond Issuer has agreed to pay on the Face Value of the bond.
<b>Credit Spread</b>	The Yield differential between a reference or benchmark rate and the Yield payable on an Underlying Bond. In Australia, useful reference rates, for a particular maturity, are the Australian government bond interest rate or BBSW.
<b>Custodian</b>	The organisation that holds the Underlying Bonds for safekeeping in the securities depository Austraclear or Euroclear on behalf of the Responsible Entity. The Custodian is Apex Fund Services ACN 118 902 891.
<b>Distribution</b>	A distribution made by the Responsible Entity in respect of a Class of Units as a result of the receipt of a Coupon Payment in cleared funds from the Underlying Bond Issuer.
<b>Distribution Date</b>	The date on which a Distribution is to be paid in respect of a Class of Units and which is expected to be within 15 Business Days of receipt of a Coupon Payment from the Underlying Bond Issuer that corresponds to that Underlying Bond. It is expected that the Distribution Date will not be the same for different Classes of Units.
<b>Early Redemption</b>	In respect of Units, the redemption of the Units prior to the Maturity Date. The Units may be redeemed early if the Underlying Bonds are redeemed, cancelled, bought back, subject to early maturity or otherwise terminated, or if the Responsible Entity accepts an application from an investor for Early Redemption of the Units. In respect of Underlying Bonds, means the redemption of the Underlying Bonds prior to the scheduled Maturity Date. Early Redemption of the Underlying Bond is only possible in the circumstances described in the Debt Issuance Programme.
<b>EBIT</b>	For a relevant period, the total of all realised operating income of the Underlying Bond Issuer for that period before tax, significant items and gross interest expense in that period. For the avoidance of doubt, realised operating income excludes gains or losses on investments, unrealised or non-cash items and items which are non-recurring or capital in nature.
<b>Equal Ranking Instruments</b>	Any instrument that ranks in a winding up of the Issuer as the most junior claim in the winding up of the Issuer ranking senior to Junior Ranking Instruments

<b>ETF Committee</b>	A committee established by the Responsible Entity including a representative of the Bond Manager, a representative of the Responsible Entity and an independent member, which is responsible for the ad-hoc determination of matters relating to the management of conflicts of interest for the ETF product, and the supervision and oversight of the compliance plan including oversight of the monitoring of third party service provider performance, and as otherwise outlined in this PDS and the ETF Committee charter document.
<b>Extraordinary Expenses</b>	Expenses that neither the Responsible Entity nor the Bond Manager have foreseen, and which are not part of the expected normal expenses for the operation and administration of the Trust (for example legal costs to defend a court action brought against the Trust or Responsible Entity) (refer to Section 10.5 "Additional explanation of fees and costs" of this PDS, specifically "Extraordinary Expenses").
<b>Face Value</b>	The denomination of a bond, often \$100, \$1,000, \$10,000, \$100,000 or \$500,000 as determined by the issue documentation for each respective Underlying Bond.
<b>FATCA</b>	The Foreign Account Tax Compliance Act 2010 (US), a law of the United States of America which was enacted to improve compliance with US tax laws. It imposes certain due diligence and reporting obligations on foreign financial institutions (non-US financial institutions) to report to the US Government in respect of US citizens and tax residents. Failure to comply with FATCA has the potential to expose foreign financial institutions to a 30% withholding tax on US sourced payments. The Commonwealth of Australia and the US Government signed an intergovernmental agreement to implement FATCA.
<b>GST</b>	The Goods and Services Tax and has the same meaning as in the "A New Tax System (Goods and Services Tax) Act 1999 (Cth)".
<b>Hybrids or hybrids</b>	Securities with both equity and fixed income features that may convert into equity securities in accordance with their terms.
<b>IAM Group</b>	The IAM Group being Income Asset Management Group Limited ACN 010 653 862 (ASX: IAM) and wholly owned subsidiaries, IAM Capital Markets Ltd ACN 111 273 048 AFSL 283119, IAM Cash Markets Pty Ltd ACN 164 806 357 as corporate authorised representative (no. 001295506) of AFSL 283119, Trustees Australia Limited ACN 010 579 058 AFSL 260038, IAM Funds Pty Ltd ACN 643 600 088 as corporate authorised representative (no. 001296921) of AFSL 260038, and ETB Pty Ltd ACN 670 409 462, corporate authorised representative (no. 001305688) of AFSL 260038.
<b>Junior Ranking Instruments</b>	Junior Ranking Instruments means any present or future instrument: (a) issued as Tier 1 Capital; and (b) that by its terms is, or is expressed to be, subordinated in a winding-up of the Issuer to the claims of Noteholders of Subordinated Notes and other Equal Ranking Instruments.
<b>Market Announcement Platform</b>	The Securities Exchange markets announcement platform. For Cboe as Securities Exchange, please see <a href="https://www.cboe.com/au/equities/issuer_announcements/">https://www.cboe.com/au/equities/issuer_announcements/</a> . For ASX as Securities Exchange please see <a href="http://www.asx.com.au">www.asx.com.au</a> .
<b>Market Maker</b>	Nine Mile Financial Pty Ltd (ABN 34 613 490 252).
<b>Market Making Agreement</b>	The agreement between the Responsible Entity and the Market Maker under which the Market Maker agrees to make buy and sell orders in the Units on the relevant Securities Exchange in accordance with the Securities Exchange Rules, to provide an opportunity for investors to buy and sell Units on the Securities Exchange.
<b>Material Adverse Effect</b>	In relation to an Underlying Bond an event or change that significantly affects the Underlying Bond Issuer's ability to perform their obligations under an Underlying Bond.
<b>Maturity Date</b>	The date on which the Underlying Bonds are scheduled to be redeemed by the Underlying Bond Issuer (other than by way of an Early Redemption), the Principal is to be repaid and any final coupon is to be paid.
<b>Market Prices</b>	The prices of a bond or Unit (as the context requires) on the relevant market, including the accrued interest.
<b>Net Asset Value</b>	The value of the Assets calculated in accordance with the Constitution.
<b>Non-Viability Trigger Event</b>	A Non-Viability Trigger Event occurs when APRA has provided a written determination to the Issuer that: (a) the exchange, conversion or write-off (as the case may be) of certain securities of the Issuer is necessary because without such conversion or write-off, APRA considers that the Issuer would become non-viable; or (b) without a public sector injection of capital into, or equivalent capital support with respect to, the Issuer, APRA considers that the Issuer would become non-viable.
<b>OTC</b>	'Over the Counter', a market term relating to trading, meaning not traded on an exchange or other formal market. For example, bonds traded over the phone between two banks.
<b>PDS</b>	This product disclosure statement as amended or supplemented from time to time.



<b>Payment Frequency</b>	The frequency of coupon payments by the Underlying Bond Issuer.
<b>Principal</b>	The amount of capital to be repaid at the scheduled maturity of a Bond and is generally equal to the Face Value.
<b>RBA</b>	Reserve Bank of Australia.
<b>Redeem, Redemption, Redeeming</b>	Market term for what may occur when certain securities mature or expire after a certain date or in certain circumstances. Securities are redeemed in accordance with their terms of issue. This may occur automatically at the end of their lifetime, such as with the Units, or when certain trigger events occur during their lifetime that causes them to be redeemed under their terms of issue.
<b>Registry</b>	Apex Fund Services ACN 118 902 891. The entity that will operate the registry for the Units including recording the names of investors on the Unit registry and ensuring investors receive any Distributions and redemption monies.
<b>Responsible Entity</b>	Trustees Australia Limited (ABN 63 010 579 058; AFSL No. 260038). The entity licenced under the Corporations Act to undertake the role of Responsible Entity of the Trust in accordance with the provisions of the Corporations Act.
<b>Running Yield</b>	The coupon payments as a percentage of the Market Price of the bond (less accrued interest).
<b>Securities Act</b>	The United States Securities Act of 1933, as amended.
<b>Securities Exchange</b>	The securities exchange for the trading of financial products, including the Units operated by Cboe Australia Pty Ltd.
<b>Securities Exchange Rules</b>	The relevant rules for the Securities Exchange as applicable to the Units being the Cboe Operating Rules available at <a href="http://www.cboe.com.au">www.cboe.com.au</a> .
<b>Semi-annual</b>	When the coupon Payment Frequency is on a semi-annual basis, or two coupons per annum paid at six-month intervals in arrears.
<b>Senior Creditors</b>	Means, in respect of an Underlying Bond, all present and future creditors of the Issuer (including, but not limited to, depositors of the Issuer) whose claims: <ul style="list-style-type: none"> <li>(a) would be entitled to be admitted in the winding-up of the Issuer; and</li> <li>(b) are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.</li> <li>(c)</li> </ul>
<b>Subordinated Notes</b>	Bonds are called 'Subordinated Notes' to give investors an indication of where they rank in terms of payment in a default situation. In a winding-up of the Underlying Bond Issuer, Subordinated Notes rank behind all claims of Senior Creditors, <i>pari passu</i> among themselves and subject to conversion or write-off on the occurrence of a Non-Viability Trigger Event, <i>pari passu</i> with Equal Ranking Instruments and ahead of Junior Ranking Instruments.
<b>Ticker Code</b>	Market vernacular for the Securities Exchange code under which a security trades. Securities Exchange codes may be three to six alpha-numeric characters long.
<b>Trading Participant</b>	A participant of a Securities Exchange under its rules that is authorised to directly engage in trading activity on the relevant Securities Exchange.
<b>Trust</b>	IAM Listed Bond ETF (ARSN 670 479 320).
<b>Underlying Bond(s)</b>	Subordinated bonds issued by an ASX listed entity or a subsidiary of an ASX listed entity, and to which the performance of the Units is linked.
<b>Underlying Bond Issuer(s)</b>	The issuers of the Underlying Bonds.
<b>Units</b>	The ETF units on offer under this PDS.
<b>Unitholder(s)</b>	Person or entity holding Units.
<b>Yield or Yield to Maturity</b>	The return an investor will receive if they buy a bond and hold the bond to maturity, based on the purchase price and assuming that all coupons can be reinvested at the same yield.