

**Product Disclosure Statement**

Issued 1 September 2020

# Annapurna Microcap Fund

ARSN 643 580 572 / APIR CODE KAM9683AU

Issued by

K2 Asset Management Ltd

ABN 95 085 445 094 / AFSL 244 393

#### Contact Details

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For lodging complaints and dispute resolution please refer to Section 07 on page 14 of this PDS.

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Units in the Fund are offered and issued by K2 Asset Management (K2) on the terms and conditions described in this PDS. By becoming an investor in the Fund you agree to be bound by this PDS. You should not base your decision to invest in the Fund solely on this information. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of the Fund in view of your financial position, investment objectives and needs before making an investment decision. K2 and its respective employees, agents and officers do not guarantee the success, repayment of capital, rate of return on income or capital, or investment performance of the Fund. Past performance is not a reliable indicator of future performance. It is your obligation to seek any advice on, and observe any legal restrictions on investment in the Fund which may apply to you.

All amounts in this PDS are in Australian dollars. All fees are inclusive of goods and services tax (GST) and take into account reduced input tax credits (RITC) if applicable. All fees in this PDS are rounded to two decimal places.

Information in this PDS is subject to change of a type that is not materially adverse from time to time, and such updates may be viewed at [www.k2am.com.au](http://www.k2am.com.au). You can obtain any updated information by contacting K2. A paper copy of any updated information will be provided free of charge on request.

K2 has authorised the use of this PDS as disclosure to direct investors and prospective investors of in investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (IDPS).

Indirect investors investing through an IDPS may rely on the information contained in this PDS in instructing IDPS operators to invest in a Fund on their behalf. K2 accepts no responsibility where the IDPS operator does not provide investors with a current version of this PDS or any supplementary or replacement PDS. More information for IDPS investors is set out in section 07 on page 13 of this PDS.

As a disclosing entity, the Fund has regular reporting and disclosure obligations under the Corporations Act 2001 (Corporations Act). In accordance with ASIC guidance, all material information will be available to investors at [www.k2am.com.au](http://www.k2am.com.au). A copy of any documents lodged with ASIC to comply with disclosure requirements may be obtained from or inspected at an ASIC office. On request, K2 will provide investors with copies of the most recent annual financial report for the Fund, the half-yearly financial report and any continuous disclosure notices.

Investors can contact K2 or their IDPS provider, or visit [www.k2am.com.au](http://www.k2am.com.au) for updated information about performance, unit prices, Fund size and other general information about the Fund.

## **Summary of disclosure against ASIC benchmarks and principles**

This PDS contains disclosures against benchmarks and disclosure principles set out in ASIC Regulatory Guide 240. The Fund meets both ASIC benchmarks 1 (on valuation of assets) and 2 (on periodic reporting).

<b>Disclosure principle</b>	<b>Where to find in PDS</b>
1 Investment strategy	Section 02, page 03 Section 05, page 08
2 Investment manager	Section 01, page 03
3 Fund structure	Section 02, page 03 Section 09, pages 15 - 16
4 Valuation, location and custody of Assets	Section 02, page 05 Section 05, page 08 Section 07, page 14 Section 09, pages 15 - 16
5 Liquidity	Section 04, page 07 Section 05, page 08
6 Leverage	Section 05, page 08
7 Derivatives	Section 04, page 07 Section 05, page 08
8 Short Selling	Section 04, page 07 Section 05, page 08
9 Withdrawals	Section 02, page 05 Section 07, page 13

**01**

## About K2 Asset Management Ltd

K2 Asset Management Ltd (**K2**) is an Australian fund manager specialising in managed funds for retail, wholesale and institutional investors. K2 was established in 1999 and is owned by K2 Asset Management Holdings Ltd, a listed company on the Australian Securities Exchange (**ASX**).

K2 is the responsible entity and investment manager of a number of investment funds, including the Annapurna Microcap Fund (**the Fund**). As responsible entity, K2 oversees the operation and management of the Fund and is required to act in the best interest of investors. As the investment manager, K2 is responsible for directing all investments within the Fund.

K2 has brought together a team of investment professionals with a depth of knowledge and experience in domestic and international equity markets.

More information about the individuals responsible for the investment management of the Fund, including the proportion of time each individual devotes to executing the Fund's investment strategy, is available at [www.k2am.com.au](http://www.k2am.com.au). The Fund is not dependent on any particular individual but enjoys the benefit of the expertise of a group of professionals operating as a team.

K2 is indemnified out of the Fund against all liabilities and expenses incurred by it in properly performing any of its duties, exercising any of its powers, or omitting to act in relation to the Fund, or attempting to do so. Subject to the Corporations Act, provided K2 acts in good faith and without negligence, it is not liable to investors for losses in relation to the Fund (except in certain circumstances, where it can be indemnified from the Fund).

**02**

## How the Fund works

The Fund is an Australian registered managed investment scheme and unit trust. In a unit trust structure, when you invest your money, it is pooled with other investor funds. Each unit represents an equal share in the net assets of the Fund, however no investor is entitled to any specific or part asset of the Fund. The rights of unitholders are set out in the Fund's constitution.

The units which you are issued with are priced daily and reflect the changing market value of the underlying assets.



### Investment strategy

The Fund invests in globally listed Emerging Companies. The Fund aims to deliver strong capital growth over the long-term. K2's investment parameters allow both Long and Short investment in equity markets, with the added flexibility of investing in cash. The Fund carries specific capacity limits, enabling it to remain versatile and protect its ability to continue to achieve its performance objectives.

The Fund invests across a range of sectors that the investment team believes will add greatest value.

For more information about the Fund's investment strategy, please refer to section 05 on page 08 of this PDS.

**02****How the Fund works cont...**

<b>The Fund at a glance</b>	
Fund category	Internationally listed Emerging Companies
APIR code	KAM9683AU
Inception date	1 September 2020
Suggested investment timeframe	Long-term
Typical number of stocks held	Up to 60 stocks
Investment management fee	1.025% pa (incl GST and RITC)
Performance fee	20.5% pa (incl GST and RITC) of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% pa hurdle
Investment objective	The Fund aims to deliver capital growth over the long-term by seeking out opportunities in Emerging Companies in all market cycles
Buy/sell spread	+/- 0.25%
Estimated indirect costs	See section 06 on page 10
Investment style	Flexible to reflect the economic cycle
Unit prices	Available at <a href="http://www.k2am.com.au">www.k2am.com.au</a>
Applications	By 2pm on the Business Day you wish to apply
Minimum initial investment	\$5,000
Minimum Additional investment	\$5,000
Valuation	Daily
Redemptions	Monthly. Minimum of 90 days' notice prior to a Redemption Day
Minimum withdrawal	\$5,000
Access to your investment	Within five Business Days from your Redemption Day
Reporting	Monthly reports, transaction confirmations, holding statements, semi-annual investment reports, annual distribution and tax statements are all available via the K2 online investor portal at <a href="http://www.k2am.com.au">www.k2am.com.au</a> or are sent via email
Distributions	The Fund may pay distributions shortly after 30 June each year. Distributions can be made more frequently at K2's discretion
Responsible Entity & Investment Manager	K2 Asset Management Level 32, 101 Collins Street Melbourne Victoria 3000
Contact	Client Services Telephone: +61 3 9691 6191 Fax: +61 3 9691 6170 Email: <a href="mailto:invest@k2am.com.au">invest@k2am.com.au</a>
Administrator	State Street Australia Limited
Auditor	KPMG Australia

## 02

# How the Fund works cont...

### **Applications**

#### **Daily**

You can apply for units by completing the forms at the end of this PDS and sending them with cleared funds to the Unit Registry by 2pm on the day you wish to apply.

#### **Minimum Initial Investment**

**\$5,000**

#### **Minimum Additional Investment**

**\$5,000**

You can add to your investment at any time. Simply complete an additional application form available at [www.k2am.com.au](http://www.k2am.com.au) and send it with cleared funds to the Unit Registry by 2pm on a Valuation Day. Additional units are issued on the first Business Day of the following month.

### **Valuation**

#### **Daily**

#### **Minimum Withdrawal**

**\$5,000**

If your redemption results in the remaining balance of your investment falling below \$5,000 then only a complete withdrawal is permitted.

### **Redemptions**

#### **Monthly**

Minimum 90 days' notice prior to a Redemption Day.

You can redeem some or all of your investment by completing the redemption form available at [www.k2am.com.au](http://www.k2am.com.au).

If we receive a large withdrawal request from a single investor or a number of investors, which in our opinion to honor, would have the likely result of significantly impacting the Fund's value we may delay the realising of Fund assets to limit the impact to all unitholders. This delay may be extended by the number of days during which the circumstances apply.

### **Access to Funds**

You can usually access your investment within five Business Days from your Redemption Day.

Exceptional circumstances may arise where the ability to access your investments is restricted and you may have to wait a period of time before you are able to redeem. This may occur, for example, if equity markets suspend trading or if the Fund becomes illiquid. Short delays may occur if you redeem at 30 June while distributions are being finalised.

### **Distributions**

To prevent the Fund from incurring a tax liability, the Fund may pay distributions shortly after 30 June each year. Distributions can be made more frequently at K2's discretion. Distributions are calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. You can reinvest your distribution automatically into the Fund or have it paid directly to your bank account.

A distribution of net income generally forms part of a unitholder's assessable income, and you will be liable to pay tax on that income. At the time of distribution, the value of each unit will be reduced by the distribution amount.

### **Reporting**

Monthly performance reports and semi-annual investor statements are sent to all unitholders via email or post.

Fund performance and other information is available at [www.k2am.com.au](http://www.k2am.com.au).

## 03

### Benefits of investing in the Fund

Investing in the Fund offers a range of benefits, including:

#### **Expertise**

You benefit from the skill and experience of K2's dedicated equity investment team. K2's portfolio managers bring with them their own investment style while still adhering to the Fund's portfolio rules and guidelines.

#### **Market Access**

You can easily gain exposure to microcap, nanocap and small cap equities that may not be present in your current investment portfolio.

#### **Flexibility**

The Fund invests in a diverse range of listed equities rather than reflecting an index or benchmark. Portfolio managers have the added flexibility to buy Long and Short Sell, as well as hold cash in different market cycles.

#### **Client Service**

We will provide you with regular statements of your investment and updates on the performance of the fund and current market conditions. You will also be able to track your investment at all times through our online investor portal at [www.k2am.com.au](http://www.k2am.com.au).

#### **Risk Management**

K2 employs various risk management strategies, including but not limited to stop loss guidelines and exposure limitations. Stringent compliance procedures are also implemented.

## 04

### Risks of managed investment schemes

Any financial investment is not without associated risks. All asset classes carry varying degrees of risk.

When considering any investment in a managed investment scheme, it is important that you understand:

- the value of investments will go up and down;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, you may lose some of your money and past performance is not necessarily indicative of future performance;
- laws affecting registered managed investment schemes may change in the future;
- assets with the highest long-term returns may also carry the highest level of short-term risk; and
- the appropriate level of risk for each investor will vary depending on a range of factors, including age; investment time frames; where other parts of the person's wealth are invested; and the investor's risk tolerance.

Before making an investment in the Fund, you should consider if it is appropriate for your individual circumstances and if necessary seek professional advice. Risks that should be considered when investing in the Fund include, but are not restricted to, the following:

#### **– Market Risk**

Changes in regulatory and economic policy, political events, technology, economic cycles, investor sentiment, environmental and social climate can all impact financial markets.

#### **– Emerging Company Risk**

Due to the high risk/ high return nature of the equity positions held by the Fund in Emerging Companies, investors should be aware that Fund performance has the potential to result in volatile short-term returns. These companies may trade less frequently and in smaller volumes and may experience greater price volatility than equity holdings in larger companies. Emerging Companies also have risks specific to the individual company which can include, key person risk, limited financial resources and limited operating history which may impact their valuation.

## 04

# Risks of managed investment schemes cont...

### – **Equity Specific Risk**

Individual companies in which the Fund invests can have specific factors that can impact their stock valuation. This can include market cycles, internal management changes and product/service demands. Due to the high risk/high return nature of Emerging Companies, investors should be aware that Fund performance has the potential to result in volatile short-term returns.

### – **Liquidity Risk**

Investments in Emerging Companies are generally seen as less liquid than those of larger market capitalised companies. Because of this, it may not be possible to convert the Fund's equity holdings into cash or trade those securities for profit. This may adversely affect the Fund's performance, ability to sell an investment or rebalance an exposure in a timely manner and at a fair price. This may also impact an investor's ability to redeem from the Fund.

### – **Currency and Interest Rate Risk**

Currency markets can be volatile and are subject to a range of influences. Currency risk occurs where the underlying assets of a Fund are denominated in a currency other than Australian dollars. Changes in interest rates and exchange rates may impact economic conditions and stock valuations both positively and negatively.

### – **Short Selling Risk**

Short Selling carries particular risks that traditional Long positions do not. With a Long position, the value of the asset cannot drop below zero, thereby placing a limit on the possible loss inherent in the asset. In a Short position, where the purchaser expects the asset to depreciate, there is a risk that the asset could appreciate. Short Selling theoretically has unlimited risk of loss because there is no limit on the level to which a position may appreciate before it is closed out.

### – **Counterparty and Broker Credit Risk**

Credit risk is the risk of loss caused by another party, including the Custodian or Administrator, defaulting on their financial obligations. For more information see section 09 on page 15.

### – **Derivative Risk**

The Fund may use various exchange-traded derivative instruments, including futures and options. The more volatile nature of these instruments may impact the returns of the Fund.

While K2 actively manages risk, many risks remain outside K2's control. Accordingly, no guarantee can be made that these risks will not eventuate. However, K2 has adopted various risk management strategies to help minimise identified risks. These include, but are not limited to, stop loss guidelines for all positions, exposure limitations on asset classes, internal trading systems that allow continuous transparency to the Fund's assets, annual reviews of service providers, ongoing audit, compliance monitoring, conflicts management policy and internal market making processes.

## Ways to reduce or manage risk:

### **Seek professional advice**

K2 recommends you seek professional advice to assist in understanding your current financial situation and your individual investment objectives.

### **Invest for at least the suggested time frame**

Historically, growth assets have achieved the highest returns over the Long-term, with the greatest risk in the short-term.

### **Individual investment strategy**

You should consider the following factors before investing in the Fund:

- your risk profile;
- your investment timeframe;
- the level of return you are seeking;
- whether you are investing for income or growth; and
- your current financial situation.

## 05

# How we invest your money

### **Investment Objective**

The Fund aims to deliver capital growth over the long-term by seeking out opportunities in Emerging Companies in all market cycles.

### **Suggested Investment Timeframe**

Long-term

### **Potential Risk Level**

High

### **Investor Suitability**

This Fund may be suitable for you if:

- you have a Long-term investment period;
- you seek diversification within traditional asset class exposure; and
- your risk tolerance is high and you are comfortable with the level of risk associated with the Fund.

### **Description of Fund**

The Fund invests in globally listed Emerging Companies, typically holding up to 60 different stocks. The Fund will gain its small cap exposure via investment in the K2 Australian Small Cap Fund which is listed on the ASX (KSM:ASX). The Fund may also hold up to 100% cash. The Fund can buy Long and sell Short when seeking out investment opportunities.

Please refer to section 07 on page 14 of this PDS for key aspects of the Fund's unit pricing policy.

### **Investment Strategy**

K2 employs a top-down macroeconomic view with bottom-up stock selection to identify investment opportunities. Continuous macroeconomic analysis of market conditions determines the Fund's net equity exposure. This top-down overlay provides our investment managers with the autonomy to invest in a benchmark unaware manner, in sectors and regions that they believe will provide the most value.

K2's investment strategy intends to produce investment returns by:

- adopting a flexible investment style that reflects the economic cycle;
- actively adjusting net equity exposure;
- identifying major themes or catalysts in a timely manner;
- being index unaware with a Long bias; and
- allocating capital dynamically.

The Fund's ability to produce investment returns is dependent on a wide range of factors, none unusual or unique to the Fund. The Fund's performance returns may be impacted either positively or negatively by market conditions, interest rates, equity specific factors, liquidity and currency movements. Refer to section 04 on pages 06 and 07 for more information on risks.

K2 will notify you of any change in the Fund's investment strategy, however the strategy is not expected to change over the life of this PDS.

### **Types of Assets Held**

The Fund invests in globally listed Emerging Companies. It will gain its Australia and New Zealand small cap exposure via investment in the K2 Australian Small Cap Fund which can represent a weighting up to 50%. The K2 Australian Small Cap Fund is listed on the ASX (KSM:ASX). If deemed appropriate, the Fund may hold up to 100% cash.

Consistent with typical industry practices, the reference to listed equities includes investments in companies that plan to list on a security exchange within the next 12 months.

The Fund may also use exchange-traded derivative instruments such as futures and options but the use of such instruments does not form a major part of the Fund's investment strategy. The Fund has no predetermined allocation for each asset type.

Equities are denominated in their local currency. Currency is taken into account at the portfolio level and positions are adopted purely as a hedging tool to reduce overall currency risk.

The Fund may also make other investments as permitted by the Fund's constitution.

### **Short Selling**

Short Selling may be used when specific opportunities or market conditions have the potential to increase returns. Short positions are subject to diligent ongoing exposure risk review by the investment team and stringent stop loss guidelines. Refer to section 04 on page 07 for more information on risks associated with Short Selling.

### **Leverage**

K2 may use leverage to increase the net invested position of the Fund greater than the Gross Asset Value of the Fund. This will be limited to 130% of the Gross Asset Value of the Fund. In addition, in order to implement any Short positions or derivative exposure, equity and/or cash may be required to be deposited with the Custodian as collateral.

### **Liquidity**

Investments in Emerging Company securities are generally less liquid than those of larger market capitalised companies. Because of this, it may not be possible to convert Emerging Company securities into cash or trade those securities for profit. See section 04 on page 07 for risks associated with liquidity. K2 monitors the Fund's portfolio on an ongoing basis having regard to the overall liquidity profile of the Fund's underlying investments.

## 05

### How we invest your money cont...

#### **Valuation, Location and Custody of Assets**

The Fund's assets are held in accordance with normal business practices in custody accounts with State Street Australia Ltd. The roles performed by the Custodian are set out at section 09 on page 15. Non-cash assets are exchange traded and therefore valued accordingly. Please refer to section 07 on page 14 for key aspects of the Fund's unit pricing policy.

#### **Labour Standards and Environmental, Social and Ethical Considerations**

Labour standards and environmental, social and ethical considerations are taken into account in the selection, retention or realisation of investments relating to the Fund to the extent that these may affect the performance of an investment.

## 06

### Fees and costs

It is a legal requirement to display the following consumer advisory warning at the beginning of the fees section of a PDS. The fee example provided in the consumer advisory warning box does not specifically relate to the Fund, and is a standard example prescribed by law.

#### Did you know?

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

**For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).**

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

**You may be able to negotiate to pay lower contribution fees and management costs where applicable. 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**) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and When Paid
<b>Fees when your money moves in or out of the managed investment product</b>		
<i>Establishment Fee</i> The fee to open your investment	Nil	
<i>Contribution Fee</i> The fee on each amount contributed to your investment	Nil	
<i>Withdrawal Fee</i> The fee on each amount you take out of your investment	Nil	
<i>Exit Fee</i> The fee to close your investment	Nil	

**06****Fees and costs cont...**

Type of Fee or Cost	Amount	How and When Paid
<b>Management Costs</b>		
The fees and costs for managing your investment <sup>1</sup>		
<b>Investment Management Fee</b>	1.025%pa (incl GST and RITC)	The investment management fee is calculated and accrued daily based on the Gross Asset Value of the Fund. It is paid monthly in arrears out of the Fund's assets.
<b>Estimated Responsible Entity Fee</b>	0.07%pa (incl GST and RITC)	The responsible entity fee covers direct and indirect costs that relate to K2's role as responsible entity. It is calculated and accrued daily and is paid monthly in arrears out of the Fund's assets.
<b>Estimated Expense Recoveries<sup>2</sup></b>	0.40%pa (incl GST and RITC)	This cost is calculated and accrued daily and payable when expenses are invoiced. The amount is paid directly from the Fund and is reflected in the unit price.
<b>Estimated Indirect Costs<sup>3</sup></b>	Up to 0.68%pa (incl GST and RITC)	This cost is estimated as a percentage of NAV of the Fund and is reflected in the unit price.
<b>Performance Fee</b>	20.5%pa (incl GST and RITC) of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% pa hurdle	The performance fee per unit is 20.5% pa (incl GST and RITC) of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% pa hurdle.  The performance fee is calculated and accrued daily based on the NAV (before performance fee) of the Fund and is crystallised and paid on a semi-annual basis as at 31 December and 30 June. Performance fees are paid where applicable from redemptions throughout a half year on a pro-rata calculation.

<sup>1</sup> Management Costs reduce the Net Asset Value of the Fund and are reflected in the unit price. Management costs comprise the additional fees or costs that an investor incurs by investing in the Fund rather than by investing directly in the underlying assets of the Fund. Management costs include fees, expenses and indirect costs. In addition, management costs do not include transactional and operational costs (i.e. costs associated with investing in the underlying assets, some of which may be recovered through Buy/Sell Spreads).

<sup>2</sup> Includes ASIC fees, custodian fees, administration, unit registry and other expenses relating to the compliance, investment management, management and administration of the Fund. The estimated expense recoveries are based on actual expenses for comparable K2 managed investment schemes averaged over the three financial years ended 30 June 2018, 2019 and 2020. This is not a guarantee of future expense amounts, these costs can increase or decrease depending on the assets within the Fund.

<sup>3</sup> Indirect costs include fees and other management costs (if any) arising from underlying funds and, if applicable, a reasonable estimate of the cost of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy. Indirect costs are reflected in the unit price of the Fund and borne by investors. The indirect costs incorporate estimated amounts including any performance fee levied by the underlying fund, K2 Australian Small Cap Fund for which the Fund can invest. These are based on actual expenses averaged over the three financial years ended 30 June 2018, 2019 and 2020. See "K2 Australian Small Cap Fund Fees" section 06 on page 12. Given that the Fund is a new fund, the estimated components of the Fund's indirect costs are estimates and actual indirect costs for future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on K2's website at [www.k2am.com.au](http://www.k2am.com.au) where they are not otherwise required to be disclosed to investors under law.

**06****Fees and costs cont...****Example of annual fees and costs for the Fund**

This table gives you an example of how the fees and costs for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

<b>Example: Balance of \$50,000, with a contribution of \$5,000 during the year</b>		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management Costs*	2.18%	<b>And,</b> for every \$50,000 you have in the Fund you will be charged \$1,090 each year
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$1,090 <sup>#</sup>

\* The breakdown of the Management Costs in the above example is detailed in section 06 on page 10.

# Management Costs are charged on your investment amount and any contributions made during the year. In the example, management costs are calculated using the \$50,000 balance only and do not take into account the \$5,000 contribution, as it assumes that this contribution occurs at the end of the year.

Please note that this example does not capture all the fees and costs that may apply, such as the buy/sell spread.

**Additional Explanation of Fees and Costs****Performance Fees**

Upon the Fund meeting its performance criteria, a performance fee is payable. K2 will only be eligible to receive a performance fee where the NAV per unit, before performance fees, is above the applicable High Water Mark subject to a 6% pa hurdle. The 6% pa hurdle is calculated on a pro rata basis.

The performance fee is calculated and accrued daily based on the NAV (before performance fee) of the Fund and is crystallised and paid on a semi-annual basis at 31 December and 30 June. Performance fees are paid where applicable from redemptions throughout the financial year using a pro rata calculation.

The performance fee per unit is 20.5% pa of the amount by which the NAV per unit exceeds the High Water Mark after the Fund achieves a net 6% pa hurdle.

The High Water Mark is:

- a) where a performance fee is paid or payable in respect of the immediately preceding half financial year, the highest NAV per unit from which a performance fee has been last deducted in the immediately preceding half financial year; or
- b) where a performance fee is not payable in respect of the immediately preceding half financial year, the higher of:
  - i. the NAV per unit as at the end of the immediately preceding half financial year; and
  - ii. either the relevant NAV on the date of your initial investment in the first half financial year of investment or the last NAV from which a performance fee has been paid, if any.

A High Water Mark is a NAV above which K2 is entitled to charge a performance fee after a net 6% pa hurdle. If the current NAV falls below the High Water Mark, the NAV must reach the High Water Mark and achieve the net 6% pa hurdle before K2 receives a performance fee on additional performance above the High Water Mark. Where a performance fee has not been payable in respect of four consecutive half year periods, the High Water Mark for the relevant units will reset to be the NAV per unit at the end of the fourth half year.

## 06

### Fees and costs cont...

#### **Transactional and Operational Costs**

Because the Fund is actively managed it will incur transaction and operational costs, such as brokerage, settlement costs, clearing costs and government charges as a result of the management of the Funds investment portfolio. Transactional and operational costs are paid out of the Fund's assets and are reflected in the Funds' unit price.

The Fund carries a buy/sell spread of +/-0.25% to ensure that the transactional and operational costs associated with an application or redemption are not borne by other investors. The buy/sell spread is an additional cost to you and is incurred when you enter or exit a Fund. The money is retained by the Fund and is not paid to K2. The spread is based on a Fund's average transaction cost and accordingly may be varied by K2 from time to time.

The total average transaction and operation costs for the financial year up to 30 June 2020 is estimated to be approximately 0.66% pa of the Fund's average Net Asset Value based on a comparable K2 managed investment scheme for the relative period. A portion of this will be recovered via the buy/sell spread and the difference will be reflected in the net investment return of the Fund. Due to historical actual results being unavailable, future costs the Fund may incur may differ.

#### **K2 Australian Small Cap Fund Fees**

The Fund may invest up to 50% of Fund assets in the K2 Australian Small Cap Fund (KSM) to gain access to the Australian and New Zealand small cap sector. K2 acts as the investment manager and RE of KSM. The Fund will not be charged management fees on the investment in KSM. The Fund will pay a performance fee on units held in KSM as disclosed in the PDS of KSM. You should read the PDS of KSM to understand how performance fees are charged. This expense is reflected in the unit price of KSM and impacts the value of the holding within the Fund. This is included in the estimate indirect costs set out in the table above.

#### **Wholesale Clients**

K2 may agree to an alternative fee arrangement with certain wholesale clients that satisfy minimum investment requirements.

#### **Changing the Fees**

All fees and expenses in this PDS can change without your consent, however it is not expected that the investment management or performance fees will change while this PDS is current. At least 30 days' notice will be provided in the event investment management or performance fees increase or there is any other change that requires us to give you prior notice. K2 has the right to recover all proper and reasonable expenses incurred in managing the Fund. Changes in the amount of fees and costs charged by service providers, regulators and other third parties may cause the amount of expenses recovered by K2 to increase or decrease from time to time. The Fund's constitution defines the maximum that can be charged for fees described in this PDS.

## 07

# How to transact on your investment

1. Read this PDS.
2. Complete the application form and client identification form at the end of this PDS and send them to the Unit Registry with cleared funds by 2pm on the Business Day on which you wish to purchase units.
3. Receive confirmation of your investment via email or post and begin accessing your account via our online investor portal.

## Acquisition and disposal of Units

### Applications

#### Initial application for investment

Investors must complete the application form available at the end of this PDS. To enable K2 to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 new investors must also complete the relevant client identification forms.

#### Application dates

Applications can be processed on any Business Day (**Valuation Day**) with units issued for that same day. Completed forms and cleared funds must be accepted by the Unit Registry by 2pm Australian Eastern Standard Time on a Valuation Day.

Note: you will need to observe your relevant bank's processing times to ensure the Unit Registry receives cleared funds by the deadline.

Subject to the Corporations Act, application money received after the deadline will be held in the relevant Fund's trust account, unless directed otherwise in writing by the applicant, and units will be issued on the following Valuation Day.

Any interest earned on application money (less applicable withholding tax) paid in advance of a Valuation Day will be credited in favour of the Fund.

K2 reserves the right to refuse any application without giving a reason. If K2 refuses or is unable to process an application it will return the application money to the applicant who will not be entitled to any interest on that money. If a cheque or other deposit is dishonoured, the corresponding units are deemed not to have been issued. K2 and the Unit Registry accept no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile, post or other delivery method.

Applications that are placed for a 30 June Valuation Date are allocated units on that day, and will receive any distribution that may be payable. Investors should note the 'Risks of investing shortly before a distribution period' and read the important information about taxation before making a decision to invest.

Go to 'General Information' at [www.k2am.com.au](http://www.k2am.com.au) under 'How to Invest'.

### Investing through an IDPS

If you are investing through an IDPS, such as a master trust or wrap account, you may need to complete a separate application form and provide a payment to the relevant IDPS operator. Your rights and liabilities will be governed by the terms and conditions of the IDPS disclosure document. Investors should carefully read the terms and conditions of that document before investing in any of the Funds. Indirect investors investing through an IDPS do not acquire the rights of an investor in a Fund.

IDPS investors will receive reporting directly from the IDPS operator, not from K2 and do not have the right to a 'cooling off' period (as described in this PDS) in relation to an investment in a Fund.

#### Additional investments (for existing investors)

Investors can add to their investment by completing an additional investment form available at [www.k2am.com.au](http://www.k2am.com.au). Before completing an additional investment form investors should ensure they have read the current PDS.

## Disposal of Units

### Making a withdrawal

An investor wishing to make a withdrawal must complete a redemption form available at [www.k2am.com.au](http://www.k2am.com.au) and submit the completed form to the Unit Registry at least 90 days prior to the Redemption Day.

Withdrawal proceeds will be remitted by electronic transfer to the investor's designated account normally within five Business Days after the relevant Redemption Day. The minimum withdrawal is \$5,000 (unless otherwise permitted by K2) provided a minimum balance of \$5,000 remains in the relevant Fund, otherwise only a complete withdrawal is permitted.

Short delays may occur if you redeem at 30 June while distributions are being finalised.

### Transfer of units

Investors wishing to transfer units to a different entity must complete a standard transfer form, available at [www.k2am.com.au](http://www.k2am.com.au) or by contacting K2. Both the seller and buyer must provide their executed instruction on the same transfer form. If the buyer is a new investor to K2, they are also required to complete an initial application form and client identification form. A transfer of units from one entity to another may have tax implications and you should seek independent advice before proceeding.

## 07

# How to transact on your investment cont...

### **Switching Investments**

You may switch all or part of your investment between K2 Funds by completing a switch form available at [www.k2am.com](http://www.k2am.com). A switch is processed as a withdrawal and an additional investment and accordingly the buy/sell spread applies. Switching your investment from one Fund to another may have tax implications and you should seek independent advice before proceeding. Minimum investment balances apply to switching between Funds.

### **Suspension of issue of units and withdrawal of funds**

Under the Funds' constitutions, K2 may extend the period within which it must satisfy a withdrawal request by 30 days if it considers that it is in the interests of members to do so.

Where a Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from that Fund and can only withdraw where K2 makes a withdrawal offer to investors in accordance with the Corporations Act. K2 is not obliged to make such offers. You will be notified in writing of any such changes to your withdrawal rights.

### **Retail investors**

If you are an eligible retail investor you may have a right to a cooling off period to ensure that the investment meets your individual needs. The period commences on the earlier of confirmation of the investment being received or available, or the end of the fifth day after units are issued, and lasts for 14 days. The investor is entitled to a refund of their investment, adjusted for any increase or decrease in the NAV between the time the Unit Registry processed the application and the time it receives the notification, as well as any tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment. A client's right to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan or represents additional contributions made under an existing agreement. To exercise this right the registry must be notified in writing.

If you wish to discuss any aspect of the Funds or wish to lodge a complaint please contact K2 and we will endeavour to resolve your concerns quickly and fairly. If K2 cannot resolve your complaint you may seek assistance from:

#### Australian Financial Complaints Authority (**AFCA**)

GPO Box 3 Melbourne Vic 3001

Phone: 1800 931 678

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

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

You should quote the K2 AFCA membership number with your enquiry: 12481.

Please note that different procedures to the above may apply for IDPS investors.

### **Unit pricing (NAV per unit)**

The calculation of unit prices is set out in the Fund's constitution and is performed by the Fund's Administrator each Business Day. Broadly, the NAV per unit is calculated by:

1. calculating the Gross Asset Value of the Fund as at the relevant Valuation Day;
2. deducting any liabilities (including management fee);
3. deducting any accrued performance fee after the deduction of liabilities; and
4. dividing the resulting NAV by the number of units on issue, this amount being rounded to the nearest cent (0.5 of a cent will be rounded up).

### **Terms for email or fax instructions**

By lodging an email or fax request the investor releases, discharges and agrees to indemnify K2 from and against all losses, liabilities, actions, proceedings, account claims and demands arising from the fax request. The investor also agrees that any payment made in accordance with emailed or faxed instructions shall be a complete satisfaction of the obligations of K2, notwithstanding any fact or circumstances including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with these conditions, the investor shall have no claim against K2 in relation to the payment.

### **Privacy**

K2 will be collecting personal information about investors, which it may need to provide to third parties, such as its service providers, regulatory authorities as required by law or to satisfy United States requirements (in the case of United States persons). In some cases, the organisations to which K2 or its service providers disclose your information may be located outside Australia, although it is not practicable to list all of the countries in which such recipients are likely to be located. For further information about how we collect, hold, use and disclose your personal information, please read K2's privacy policy, which can be downloaded from our website at [www.k2am.com.au](http://www.k2am.com.au).

## 08

### How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. K2's registered managed investment schemes do not pay tax on behalf of investors and you will be personally assessed for tax on any net income and capital gains generated by the scheme. In normal circumstances you should expect that some income and/or capital gains will be generated each year. The taxation of managed investment schemes is complicated and you are strongly advised to seek professional tax advice relevant to your own circumstances before investing in the Fund.

*You should read the important information about taxation before making a decision to invest. Go to 'General Information' at [www.k2am.com.au](http://www.k2am.com.au) under 'How to Invest'. The material relating to taxation may change between the time when you read this PDS and the day when you acquire the product.*

### Foreign Tax Resident Reporting

Laws have been introduced in Australia to implement global standards relating to the automatic exchange of financial account information between tax authorities to ensure that everyone pays the right amount of tax. As a financial institution, K2 must identify accounts held by investors who are foreign tax residents or entities connected to foreign tax residents and report this account information to the Australian Tax Office. This information is then shared with tax authorities in:

- the United States (**US**) under a system known as the Foreign Account Tax Compliance Act (**FATCA**). This is for US citizens and tax residents only and applied from 1 July 2014; and
- other countries under the Common Reporting Standard (**CRS**). The CRS applies to all foreign tax residents from 1 July 2017.

On request from K2, it is important that you provide K2 with information about your tax residency, the nature of your business and any beneficial owners. This will enable K2 to comply with its obligations under the FATCA and CRS laws. If you do not respond, K2 may be required to treat you as if you are a foreign tax resident, even if you are not. Penalties may apply if you deliberately or recklessly provide false or misleading information.

## 09

### The Fund's service providers

The following service providers to the Fund are not responsible for the preparation of this document or the activities of the Fund and therefore accept no responsibility for any information contained in this document. These service providers do not participate in the investment decision-making process.

K2 as responsible entity of the Fund monitors the compliance of all of the following service providers with their contractual obligations through receipt of compliance certifications, performance reviews and audit activity performed by the Fund's external auditor KPMG.

#### About the Custodians

##### State Street Australia Ltd

K2 has appointed State Street Australia Ltd (SSAL) to act as custodian of the Fund on terms consistent with typical Australian market practice. SSAL is the Australian subsidiary of a global business and is based in Sydney. It holds an Australian Financial Services Licence and is subject to ASIC regulation.

As is standard practice for global investment dealings, SSAL engages third party sub-custodians around the world to transact and hold assets for the Fund.

#### About the Administrator

##### State Street Australia Ltd

K2 has appointed State Street Australia Ltd (SSAL or Administrator) (ABN 21 002 965 200 AFSL 241419) based in Sydney, Australia to act as Administrator of the Fund. K2 and SSAL have entered into an agreement for administrative services for the Fund that sets out SSAL's role as Administrator, including its rights and obligations and the limits on its liability. Responsibilities of SSAL include:

- calculating the NAV and unit price for the Fund each Business Day;
- preparation of unaudited financial statements for the Fund in accordance with international financial reporting standards; and
- providing certain other administrative services.

SSAL's obligations in relation to the Fund are limited to the provision of services to K2, and SSAL has not undertaken any obligations to unitholders.

**09**

## The Fund's service providers cont...

### About the Unit Registry

#### **OneVue Fund Services Pty Limited**

K2 has appointed OneVue Fund Services Pty Limited (ABN 18 107 333 308) based in Melbourne, Australia (Unit Registry or OneVue) to provide unit registry services to the Fund. K2 and OneVue have entered into an agreement that sets out OneVue's responsibilities, which include:

- receiving and processing application money and withdrawal payments;
- maintaining each Fund's register of unitholders;
- preparing annual fee statements for each Fund in accordance with legislation;
- compliance with anti-money laundering and counter-terrorism financing requirements; and
- providing certain other administrative services.

#### **Appointment of New Service Providers**

K2 may remove the Fund's Custodian, Administrator or Unit Registry and appoint a replacement at any time without notice to investors. Changes to a key service provider will be disclosed to investors in the Fund's periodic disclosures.

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## Additional information for New Zealand investors

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

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

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

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

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

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

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

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

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

**11**

## Terms used in this PDS

**Business Day** means the days identified by ASX upon which settlement occurs. Some public holidays and all weekends have been designated as non-business days.

**Emerging Companies** refers to nanocap, microcap and small cap equities that are generally trading outside the top 100 index stocks on market capitalisation. They are considered to carry a higher level of risk than other stocks.

**Gross Asset Value** means the value of all the assets and liabilities of the Fund, prior to fees.

The **High Water Mark** has the meaning given in section 06 on page 11.

**Long position** refers to an asset which is held with the expectation that the value of the asset will appreciate.

**Net Asset Value (NAV)** means the Gross Asset Value of the Fund, less all fees.

**Redemption Day** refers to the month end Valuation Day when redemptions are processed from the Fund. An investors Redemption Day will be set once the minimum of 90 days notice period has been given.

**Short position or Short Selling** refers to an investment technique in which an asset is borrowed and then immediately sold in the expectation that the asset will then depreciate. The borrowed asset is repaid by buying back the asset on the market, with the intention of obtaining it at a lower price. The asset is then returned to the original lender.



## Client Services contact details

**Phone**  
+61 3 9691 6191

**Email**  
[invest@k2am.com.au](mailto:invest@k2am.com.au)

**Website**  
[www.k2am.com.au](http://www.k2am.com.au)

# Application Form

## Annapurna Microcap Fund

Please use this form if you are a new investor and wish to invest in the above fund by making an initial application.

### 1. Read and ensure you understand the Product Disclosure Statement (PDS).

The PDS is available on our website at [www.k2am.com.au](http://www.k2am.com.au) or from your financial adviser.

The law prohibits any person passing this Application Form on to another person unless it is accompanied by a complete PDS. K2 will provide on request and without charge a paper or electronic copy of the current PDS and any document which updates the PDS.

### 2. Complete all relevant sections of this Application Form in block letters and using a black pen. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.

Individuals — complete section 1, section 2, and then section 5 onwards.

Companies — complete section 1, section 3 and then section 5 onwards.

Trusts/superannuation funds — complete section 1, section 2 if you are an individual trustee, section 3 if you are a trust with a company as trustee, section 4, and then section 5 onwards.

### 3. Collect and certify the identification documents.

Please refer to section 10 'Identification and verification' and complete the relevant identification document at the end of this form or on our website at [www.k2am.com.au](http://www.k2am.com.au).

### 4. Complete the tax information form.

Complete the tax information form at the end of this PDS or on our website at [www.k2am.com.au](http://www.k2am.com.au). You need to provide the information requested in the tax information form to ensure compliance with regulatory obligations under the Common Reporting Standard (CRS).

### 5. Send your documents to us.

You can return your form by post, fax or email according to the details below.

Send by Post:      K2 Asset Management  
                          GPO Box 804  
                          Melbourne VIC 3001  
                          Australia

Fax forms to:      +61 3 8672 7663

Scan and email to: [k2am\\_transactions@onevue.com.au](mailto:k2am_transactions@onevue.com.au)

### 6. Transfer your application money to us.

Please refer to section 6 'Payment of application amount'.

Your Application Form cannot be processed until all relevant identification documents and cleared funds are received.

#### Legal notices

K2 Asset Management Ltd AFSL No. 244393 (K2) is the issuer of units in the Annapurna Microcap Fund (the Fund).

K2 is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and our Privacy Statement, which can be accessed on our website [www.k2am.com.au](http://www.k2am.com.au).











# Application Form

Please print full name

Please print full name

Date

Date

D D M M Y Y Y Y

D D M M Y Y Y Y

## BPAY - telephone and internet banking

You will need to quote the biller code and your reference number when making such payment. Once your Application Form is received a Client Services team member will contact you with your new Investor Account Number.

Fund name	BPAY		
Annapurna Microcap Fund		Biller code	337782
		Reference number	Investor Account Number

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)

<sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518.

## EFT - electronic funds transfer

Please ensure transfers are made to the correct bank account.

Fund Name	EFT - electronic funds transfer details	
Annapurna Microcap Fund	Account name	Annapurna - Application Account
	BSB	083001
	Account number	20-449-1112
	Reference	Investor Account Name

## 7. Distribution instructions

Please indicate your choice below.

Pay to my bank account

Annapurna Microcap Fund

Reinvest

# Application Form

## 8. Bank account details

### Australian bank account details

Please provide the Australian bank account details in order to receive your distribution payments and/or future redemption payments. Payments will only be made to a bank account held in the name of the investor/s. Payments will not be made into third party bank accounts.

Bank name

Branch name

BSB number

 - 

Account number

Bank account name

### Foreign bank account details

Please provide bank account details in order to receive your distribution payments and/or future redemption payments. Payments will only be made to a bank account held in the name of the investor/s. Payments will not be made into third party bank accounts.

Bank name

Bank address

Bank account name

Account number

SWIFT/BIC

Due to the complexity of foreign bank accounts, we may need to contact you for more information.

## 9. Communication

### Online account access

Online access enables you to view details of your investments (account balance, investment details and account statements). We will send you the necessary registration details by post once your application is processed.

### Annual report options

Please indicate if you wish to receive an annual report.

Annual report by email

No annual report

Annual report by post

# Application Form

## 10. Identification and verification

Please tick one box only:

### By investor

- I am a new client to K2 and will complete the relevant K2 investor identification form which is located at the end of this Application Form
- I am already a client of K2 and invest in a different Fund. There is no need to complete an investor identification form which is located at the end of this Application Form

### By financial adviser

- If you have a financial adviser, please ask them to complete the 'Appointment of a financial adviser' form which is located after the 'Acknowledgement and signatures' of this application form.

## 11. Acknowledgements and signatures

- By signing this Application Form I/we confirm that I/we have received the ~~Offer Document~~ dated 1 September 2020 and have noted the withdrawal time frames set out in the PDS.
- I/we agree to be bound by the terms and conditions of the constitution which governs the relevant Fund and the PDS available at [www.k2am.com.au](http://www.k2am.com.au).
- I/we declare that all details in this form are correct and that if an individual, I am/we are at least 18 years of age. I/we agree to indemnify K2 and any other entity involved in this offering against any loss, liability, damage, claim, cost or expense incurred as a result of any information, representation, declaration, statement, acknowledgment or confirmation in this application form being untrue or incorrect; or as a result of or in connection with my direct debit request (if applicable).
- If I/we have provided an e-mail address, I/we consent to receive on-going investor information including PDS information and any additional information from K2 as applicable, via email.
- I/We acknowledge that K2 does not guarantee the repayment of capital or the performance of any of its Funds or any particular rate of return from the Funds.
- I/we acknowledge that I/we have read K2's Privacy Statement.
- I/we acknowledge that the information contained in the PDS is not investment advice or a recommendation that units are suitable to me/us, given my/our investment objectives, financial situation or particular needs. It is my/our obligation to seek any advice on, and observe any legal restrictions on investment in the Fund which may apply to me/us and where appropriate I/we have obtained my/our own independent investment advice, having regard to the inherently complex nature of these products.
- In making an investment in the relevant Fund, I/we have not relied in any way on any statements made by K2 or its representatives and acknowledge that they have not made any representations to me/us regarding the suitability or appropriateness of the relevant Fund.
- I/We have attached the documentation referred to in the Client Identification Form as required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, and will continue to provide any other documents reasonably required by K2 from time to time, in order to comply with this legislation. I/We declare that any documents or information provided here are complete and correct and acknowledge that where a transaction is delayed, blocked, frozen or refused, K2 will not be liable for any loss (including consequential loss) as a result of its compliance with the AML/CTF laws.

By ticking this box, I/we do not wish to receive any promotional material from K2.

### Signing instructions

**Individual** — where the investment is in one name, the account holder must sign.

**Joint Holding** — where the investment is in more than one name, all of the account holders must sign.

**Companies** — where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the capacity in which the form is signed.

**Trust** — the trustee(s) must sign this form. Trustee(s) signing on behalf of the trust confirm that the trustee(s) is/are acting in accordance with such designated powers and authority under the trust deed.

**Power of Attorney** — if you have not already lodged the Power of Attorney with us, please attach a certified copy of the Power of Attorney. I/We attest that the Power of Attorney has not been rescinded or revoked and that the Donor is still living.

Signature of investor 1, director or authorised signatory

Please print full name

Date

D	D	M	M	Y	Y	Y	Y
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Company officer (please indicate company capacity)

 Director Sole director and company secretary Authorised signatory

Signature of investor 2, director/company secretary or authorised signatory

Please print full name

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Company officer (please indicate company capacity)

 Director Company secretary Authorised signatory

# Application Form

## Appointment of a financial adviser

If you wish to appoint a financial adviser this section of the Application Form must be completed by your financial adviser. Your financial adviser will have online access to your account. If you would like your financial adviser to receive copies of your statements by email please enter their email address below.

Email address

@

**Notice to financial adviser** by completing this section of the Application Form, you are confirming that you hold a current Australian Financial Services Licence (AFSL), are authorised to advise on this product and that you have identified and verified the investor(s) (if applicable).

## Financial adviser details

Dealer group name

Adviser name

AFSL number

If you would like to register for adviser online to view your client's investment information please complete the below.

## Dealer group/Financial adviser contact details

**Residential address.** A PO Box/RMB/Locked Bag is not acceptable.

Property name/building name (if applicable)

Unit      Street number      Street name

Suburb

State

Postcode

Country

**Postal address (if different to residential address).** A PO Box/RMB/Locked Bag is acceptable.

Property name/building name (if applicable)

Unit      Street number      Street name

Suburb

State

Postcode

Country

# Application Form

## Contact details

Business number (include country and area code)

--	--	--	--	--	--	--	--	--	--	--	--

Mobile number (include country code)

--	--	--	--	--	--	--	--	--	--	--	--

## Identification and verification

**Please complete the section below if you are a financial adviser identifying and verifying your client.**

As the investor's financial adviser, I:

will complete either the relevant investor identification form available at the end of this form or the relevant Financial Services Council, formerly IFSA (FSC) form and any supporting identifying and verifying documents.

or

have identified and verified the investor through the relevant Financial Services Council, formerly IFSA, (FSC) standard identification forms and attached a copy of this completed standard identification form to the application form.

As the investor's financial adviser, I represent and warrant to K2 that I, as applicable:

- have followed and complied with the FSC Guidance Note No. 24 (GN 24) in identifying and verifying the investor and any other applicable anti-money laundering and counter-terrorism financing legislation (AML laws) and will continue to comply with GN 24
- will provide, upon request, original identification and verification records and details of the identification procedures adopted
- have kept a record of the investor's identification and verification and will retain these for a period of seven years after the investor/adviser relationship has ended
- will if requested update and re-verify the investor and provide any other additional information regarding the investor
- will not knowingly do anything to cause K2 to breach AML laws and will notify K2 if I become aware of anything that would cause it to breach AML laws, and
- confirm that the details provided in the identification form are true and correct.

Please note K2 reserves the right to reject the applicable GN 24 form attached to this application form for whatever reason (for example, if it has been incorrectly completed).

Signature of financial adviser

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---



#### Client Services contact details

**Phone**  
+61 3 9691 6191

**Email**  
[invest@k2am.com.au](mailto:invest@k2am.com.au)

**Website**  
[www.k2am.com.au](http://www.k2am.com.au)

## Identification Form - Individuals

### Annapurna Microcap Fund

Please complete this form if you are a new investor with K2 or if you are a financial adviser verifying your client who is a new investor. A separate form is required for each investor in the case of joint holdings. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.

#### If you are a new investor and do not have a financial adviser

1. Please complete the following sections of this identification form in block letters and using a black pen.
2.     Section 1 – provide your personal details  
        Section 2 – provide FATCA information  
        Section 3 – indicate which ID document(s) you are including with your form
3. Make copies of your ID document(s) and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
4. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

#### If you are a financial adviser verifying your client who is a new investor

1. Please complete the following sections of this identification form in block letters and using a black pen.
  - Section 1 – provide your client's personal details
  - Section 2 – provide FATCA information
  - Section 4 – indicate the ID documents you have verified
2. Include this identification form and certified copies of the ID document(s) (if applicable) with the initial application form when you send it to us.

#### Legal notices

K2 Asset Management Ltd AFSL No. 244393 (**K2**) is the issuer of units in the Annapurna Microcap Fund (the Fund).

K2 is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and our Privacy Statement, which can be accessed on our website [www.k2am.com.au](http://www.k2am.com.au).

## **■ Identification Form - Individuals**

## 1. Personal details

**Title**                   **Full given names**

Surname

Date of birth

D D M M Y Y Y Y

**Residential address.** A PO Box/RMB/Locked Bag is not acceptable.

Property name/building name (if applicable)

**Unit/level**      **Street number**      **Street name**

## Suburb

## State

Postcode

## Country

Please select the source and origin of funds being invested:

Tick ✓	
<input type="checkbox"/>	Savings
<input type="checkbox"/>	Investment
<input type="checkbox"/>	Superannuation contributions
<input type="checkbox"/>	Commission
<input type="checkbox"/>	Donation/gift
<input type="checkbox"/>	Inheritance
<input type="checkbox"/>	Normal course of business
<input type="checkbox"/>	Asset sale
<input type="checkbox"/>	Other - write the source and origin of funds below

## **■ Identification Form - Individuals**

## 2. FATCA Information (US Foreign Account Tax Compliance Act)

Is the individual a US citizen or resident of the US for tax purposes?

Yes      No

1

If yes, provide the individual's US Taxpayer Identification Number (TIN):

### **3. Verification procedure - investors**

## **Verification if you are an Australian resident**

Please enclose a certified copy of ONE of the following current documents.

Tick ✓	Select ONE option from this section
<input type="checkbox"/>	Driver's licence (both front and back).
<input type="checkbox"/>	Passport (only pages containing your photo, current date of passport and signature are required).
<input type="checkbox"/>	Any identification card issued under a state or territory law in Australia or by an overseas government which contains your photo, date of birth and signature.

#### **Verification if you are not an Australian resident**

Please enclose a certified copy of ONE of the following current documents. The certified copy of your driver's licence or passport must show your signature. If it does not, please sign your name on the certified copy of the document.

Tick ✓	Select ONE option from this section
<input type="checkbox"/>	Driver's licence (must show your photo, date of birth, address and signature).
<input type="checkbox"/>	Passport (only pages showing your photo, current date of passport, date of birth and signature are required).

#### **4. Verification procedure - Financial advisers**

## **Record of verification procedure**

**Either:**

- a. Attach the certified copy of the ID document (as required under section 3) used to verify your client (and any required translation); OR
  - b. Complete the details below and do not attach copies of the ID document. By completing this you represent that you have verified your client's name and either their date of birth or residential address.

ID document details	Document
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	_____
Document issuer	_____
Issue date	D D M M Y Y Y Y



## **■ Identification Form - Individuals**

Expiry date	<input type="text"/> D <input type="text"/> D <input type="text"/> M <input type="text"/> M <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y
Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

## **Financial adviser details**

Date verified

D D M M Y Y Y Y

Authorised Representative Number (if any)

Financial adviser name

Phone number

Dealer group name

AFSL number

FATCA

The FATCA information is reasonable considering the documentation provided





Client Services contact details

Phone  
+61 3 9691 6191

Email  
[invest@k2am.com.au](mailto:invest@k2am.com.au)

Website  
[www.k2am.com.au](http://www.k2am.com.au)

## Identification Form - Australian & Foreign Companies

Annapurna Microcap Fund

Please complete this form if you are a company investing with K2 for the first time or if you are a financial adviser verifying your client. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.

### Australian public company

1. Please complete sections 1 and 5 of this identification form in block letters and using a black pen.
2. Include this identification form with your initial application form when you send it to us. You do not need to provide any ID documents.

### Australian private company

1. Please complete sections 1, 3 and 5 of this identification form in block letters and using a black pen.
2. Section 4 must be completed if your company is not regulated and has shareholders who own, directly or indirectly, more than 25% of the company's issued capital. For this purpose, a regulated company is defined as any company that is licensed and subject to oversight by a statutory regulator, such as ASIC, Australian Prudential Regulation Authority (APRA) or Australian Tax Office (ATO).
3. Include this identification form with your initial application form when you send it to us. You do not need to provide any ID documents.

### Foreign public company

1. Please complete sections 2, 5 and 6 of this identification form in block letters and using a black pen.
2. Make copies of the relevant ID documents as applicable and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

### Foreign private company

1. Please complete sections 2, 3, 4, 5, 6 and 7 of this identification form in block letters and using a black pen.
2. Make copies of the relevant ID documents and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

### Legal notices

K2 Asset Management Ltd AFSL No. 244393 (**K2**) is the issuer of units in the Annapurna Microcap Fund (the Fund).

K2 is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and our Privacy Statement, which can be accessed on our website [www.k2am.com.au](http://www.k2am.com.au).



■ Identification Form - Australian & Foreign Companies

Please select the source and origin of funds being invested:

Tick ✓	
<input type="checkbox"/>	Savings
<input type="checkbox"/>	Investment
<input type="checkbox"/>	Superannuation contributions
<input type="checkbox"/>	Commission
<input type="checkbox"/>	Donation/gift
<input type="checkbox"/>	Inheritance
<input type="checkbox"/>	Normal course of business
<input type="checkbox"/>	Asset sale
<input type="checkbox"/>	Other - write the source and origin of funds below

## 2. Foreign company

## Company details

Full name of company

**Country of formation/incorporation/registration**

**Registration/identification number**

Name of foreign registration body (if applicable)

Registered office address. If registered as a foreign company in Australia, please provide Australian address. A PO Box/RMB/Locked Bag is not acceptable.

**Property name/building name (if applicable)**

Unit	Street number	Street name
------	---------------	-------------

# ■ Identification Form - Australian & Foreign Companies

Suburb	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country		
<input type="text"/>		

Place of business (if different to registered office address)

Property name/building name (if applicable)

Unit      Street number      Street name

Suburb	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

Country

## Regulatory/listing details

Regulator name

<input type="text"/>
----------------------

Licence details

<input type="text"/>
----------------------

Name of stock exchange

<input type="text"/>
----------------------

Australian listed company name if majority owned subsidiary of an Australian listed company

<input type="text"/>
----------------------

## 3. Director details

**Please complete if the company is a private Australian or Foreign company. Do not complete for public and listed companies.**

How many directors are there?  Provide full name of each director





# ■ Identification Form - Australian & Foreign Companies

## Major shareholder 2

Title  Full given names

Surname

Residential address. A PO Box/RMB/Locked Bag is not acceptable.

Property name/building name (if applicable)

Unit  Street number  Street name

Suburb  State  Postcode

Country

## Major shareholder 3

Title  Full given names

Surname

Residential address. A PO Box/RMB/Locked Bag is not acceptable.

Property name/building name (if applicable)

Unit  Street number  Street name

Suburb  State  Postcode

Country

## 5. FATCA Information (US Foreign Account Tax Compliance Act)

FATCA Status (select only ONE of the following categories and provide the information requested)

**United States Company** (A company created in the US, established under the laws of the US or a US taxpayer)

Provide the company's US Taxpayer Identification Number (TIN)

Is the company an exempt payee for US tax purposes?

Yes

No

If the company is a US Company section 5 is complete, proceed to section 6.

**Financial Institution** (A custodial or depository institution, an investment entity or a specified insurance company for FATCA purposes)

Provide the company's Global Intermediary Identification Number (GIIN), if applicable.

■ Identification Form - Australian & Foreign Companies

If the company does not have a GIIN, please provide its FATCA status.

--	--	--	--	--	--	--	--

If the company is a Financial Institution section 5 is now complete, proceed to section 6.

1

**Non-Financial Public Company** (*Public companies as per section 4 that are not Financial Institutions as described above*)

If the company is a Public Company, section 5 is now complete, proceed to section 6.

1

**Non-Financial Proprietary Company** (*Proprietary companies as per section 4 that are not Financial Institutions as described above*)

Are any of the beneficial owners (as per section 4) US citizens or residents of the US for tax purposes

Yes

No

If yes, provide the name and US Taxpayer Identification Number (TIN) of each beneficial owner who is a US citizen or resident of the US for tax purposes.

Full given name(s)

Surname

The image consists of three identical horizontal rows of six empty rectangular boxes. Each row is composed of six adjacent rectangles of equal size, separated by thin vertical lines. The rows are evenly spaced vertically.

US TIN

## 6. Verification procedure - Foreign companies

## Verification of a Foreign company

Tick ✓	Enclose a certified copy of the following current documents.
<input type="checkbox"/>	<p>The Foreign Company's certificate or registration (or equivalent) issued by the relevant foreign registration/regulatory body indicating all of the following:</p> <ul style="list-style-type: none"> <li>(i) The company's identification/registration number</li> <li>(ii) The date it was incorporated or formed, AND</li> <li>(iii) The company's registered address.</li> </ul>

Note: If the certificate of registration does not indicate any of the above details, enclose certified copies of other documents issued by independent third parties indicating the above details in addition to enclosing the certificate of registration. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

#### **7. Verification procedure - Financial advisers**

## Record of verification procedure of a Foreign company

**Either:**

- a. Attach the certified copies of the ID documents (as required under section 6) used to verify your client (and any required translation);  
OR
  - b. Complete the details below and do not attach copies of the ID documents. By completing this you represent that you have verified your client's company registration, register of members, and each major shareholder's identity according to the verification procedures in section 6.

ID document details	Document 1
Verified from	<input type="checkbox"/> Original <input checked="" type="checkbox"/> Certified copy
Document name/type	
Document issuer	
Issue date	D D M M Y Y Y Y
Expiry date	D D M M Y Y Y Y



# ■ Identification Form - Australian & Foreign Companies

Document number												
Accredited English translation	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Sighted								
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>											

ID document details	Document 2											
Verified from	<input type="checkbox"/>	Original	<input type="checkbox"/>	Certified copy								
Document name/type												
Document issuer												
Issue date	D	D	M	M	Y	Y	Y	Y				
Expiry date	D	D	M	M	Y	Y	Y	Y				
Document number												
Accredited English translation	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Sighted								
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>											

## Financial adviser details

Date verified	D	D	M	M	Y	Y	Y	Y				
Authorised Representative Number (if any)												
Financial adviser name												
Phone number												
Dealer group name												
AFSL number												
FATCA												
The FATCA information is reasonable considering the documentation provided	<input type="checkbox"/>											





Client Services contact details

Phone  
+61 3 9691 6191

Email  
[invest@k2am.com.au](mailto:invest@k2am.com.au)

Website  
[www.k2am.com.au](http://www.k2am.com.au)

## Identification Form - Trusts & Trustees

Annapurna Microcap Fund

Please complete this form if you are a new investor with K2 or if you are a financial adviser verifying your client who is a new investor. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.

1. Complete the relevant sections of this identification form, according to the type of trust as set out below, in block letters and using a black pen.
2. Make copies of your ID document(s) as applicable and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of the ID documents with your initial application form when you send it to us.

Type of Trust	Sections to complete
Australian and Foreign registered trusts with individuals as trustees	Sections 1, 2 and 5 or 6. Section 8 for self-managed super funds. Registered trusts (excluding self-managed super funds) do not need to provide ID documents.
Australian and Foreign registered trusts with a public company as trustee	Sections 1, 3 and 5 or 6. Registered trusts do not need to provide ID documents.
Australian registered trusts with a private company as trustee	Sections 1, 3, 4 and 5.
Foreign registered trusts with a private company as trustee	Sections 1, 3, 4, 6 and 9.
Australian unregistered trusts with individuals as trustees	Sections 1, 2, 6, 7 and 8.
Australian unregistered trusts with companies as trustees	Sections 1, 3, 4, 6 and 7.
Foreign unregistered trusts with individuals as trustees	Sections 1, 2, 6, 7 and 8.
Foreign unregistered trusts with companies as trustees	Sections 1, 3, 4, 6, 7 and 9.

### Financial adviser verifying your client

1. Complete the relevant sections of this identification form, according to the type of trust as set out above, in block letters and using a black pen.
2. Either:
  - a. Attach the certified copies of the ID documents used to verify your client (and any required translation)
  - b. Complete section 10 indicating that you have collected and verified your client's identity.
3. Include this identification form and certified copies of ID documents (if applicable) with the initial application form when you send it to us.

### Legal notices

K2 Asset Management Ltd AFSL No. 244393 (**K2**) is the issuer of units in the Annapurna Microcap Fund (the Fund).

K2 is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and our Privacy Statement, which can be accessed on our website [www.k2am.com.au](http://www.k2am.com.au).

# Identification Form - Trusts & Trustees

## 1. Trust details

Full name of trust

Country where trust established

Please select the source and origin of funds being invested:

Tick ✓	
<input type="checkbox"/>	Savings
<input type="checkbox"/>	Investment
<input type="checkbox"/>	Superannuation contributions
<input type="checkbox"/>	Commission
<input type="checkbox"/>	Donation/gift
<input type="checkbox"/>	Inheritance
<input type="checkbox"/>	Normal course of business
<input type="checkbox"/>	Asset sale
<input type="checkbox"/>	Other - write the source and origin of funds below

## Type of Trust

Please select only one of the following trust types and provide the information requested.

Registered Managed Investment Scheme

Regulated trust (for example a self-managed superannuation fund)

Name of the regulator (for example ASIC, APRA, ATO)

Trust's ABN or registration/licensing number

Government superannuation fund

Name of legislation under which the fund is established











# Identification Form - Trusts & Trustees

Suburb

State

Postcode

Country

## 5. FATCA Information (US Foreign Account Tax Compliance Act) for Australian Regulated Trusts and Trustees

Regulated super funds (Self-Managed Superannuation Funds, APRA regulated super funds, government super funds or pooled superannuation trusts) are not required to complete section 5 and can proceed to section 7.

### FATCA Status

Provide the Trust or Trustee's Global Intermediary Identification Number (GIIN), if applicable

If neither the Trust nor the Trustee has a GIIN, please provide the Trust's FATCA status

## 6. FATCA Information (US Foreign Account Tax Compliance Act) for Australian Unregulated Trusts and Trustees and Foreign Trusts

Section 6 is not required for Deceased Estates. For Deceased Estates proceed to section 7.

### FATCA Status (select only ONE of the following categories and provide the information requested)

**United States Trust** (A trust created in the US, established under the laws of the US or a US taxpayer)

Provide the Trust's US Taxpayer Identification Number (TIN)

Is the Trust an exempt payee for US tax purposes?

Yes

No

If the Trust is a US Trust section 6 is complete, proceed to section 7.

**Financial Institution or Trust with a Trustee that is a Financial Institution** (A trust that is primarily established for custodial or investment purposes or a Trust that has a Trustee that is a Financial Institution in its own right)

Provide the Trust or Trustees's Global Intermediary Identification Number (GIIN), if applicable

If neither the Trust nor the Trustee has a GIIN, please provide the Trust's FATCA status

If the Trust is a Financial Institution or has a Trustee that is a Financial Institution section 6 is complete, proceed to section 7.

**Other** (Trusts that are not US Trusts, Financial Institutions or do not have Financial Institution Trustees)

Are any of the Trust beneficiaries, trustees or settlors US citizens or residents of the US for tax purposes

Yes

No

If the Trustee is a company, are any of this company's beneficial owners (as per section 1) US citizens or residents of the US for tax purposes

Yes

No

Provide the name, address and US Taxpayer Identification Number (TIN) of each beneficiary, trustee, settlor or beneficial owner who is a US citizen or resident of the US for tax purposes. Addresses are only required if they have not already been provided in this form. If there are more than 3 US persons, provide the details of the additional US persons on a separate sheet.



# Identification Form - Trusts & Trustees

## US Person 1

Full given name(s)

--	--	--	--	--	--

Surname

--	--	--	--	--	--

US TIN

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Residential Address (PO Box is NOT acceptable)

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Suburb

--	--	--	--	--	--

State

--	--	--	--	--	--

Country

--	--	--	--	--	--

Postcode

--	--	--	--	--	--

## US Person 2

Full given name(s)

--	--	--	--	--	--

Surname

--	--	--	--	--	--

US TIN

--	--	--	--	--	--

Residential Address (PO Box is NOT acceptable)

--	--	--	--	--	--

--	--	--	--	--	--

--	--	--	--	--	--

Suburb

--	--	--	--	--	--

State

--	--	--	--	--	--

Country

--	--	--	--	--	--

Postcode

--	--	--	--	--	--

## US Person 3

Full given name(s)

--	--	--	--	--	--

Surname

--	--	--	--	--	--

US TIN

--	--	--	--	--	--

Residential Address (PO Box is NOT acceptable)

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--	--	--	--	--	--

Suburb

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State

--	--	--	--	--	--

Country

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Postcode

--	--	--	--	--	--

## 7. Verification procedure - unregistered trusts

### Verification for Australian and Foreign unregistered trusts

Please enclose a certified copy of ONE of the following documents.

<input checked="" type="checkbox"/>	Select ONE option from this section.
<input type="checkbox"/>	A certified copy or certified extract of the trust deed. The certified extract must confirm the name of the trust.
<input type="checkbox"/>	A notice issued to the trust by a regulatory authority (must not be more than 12 months old).
<input type="checkbox"/>	A letter from a solicitor or qualified accountant that confirms the name of the trust.

Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

## 8. Verification procedure - individuals as trustees

### Verification of individual trustees for self-managed super funds and unregistered Australian trusts

Please enclose a certified copy of ONE of the following current documents for one of the individual trustees of the trust.

<input checked="" type="checkbox"/>	Select ONE option from this section.
<input type="checkbox"/>	Driver's licence (both front and back).
<input type="checkbox"/>	Passport (only pages containing your photo, current date of passport and signature are required).
<input type="checkbox"/>	Any identification card issued under a state or territory law in Australia or by an overseas government which contains your photo, date of birth and signature.



# **Identification Form - Trusts & Trustees**

## Verification of individual trustees for unregistered Foreign trusts

Please enclose a certified copy of ONE of the following current documents for one of the individual trustees of the trust. The certified copy of the driver's licence or passport must show the individual's signature. If it does not, please have the trustee sign their name on the certified copy of the document.

Tick ✓	Select ONE option from this section.
<input type="checkbox"/>	Driver's licence (must show the photo, date of birth, address and signature).
<input type="checkbox"/>	Passport (only pages showing the photo, current date of passport, date of birth and signature are required).

#### 9. Verification procedure - companies as trustees

## **Verification of a Foreign company**

Please enclose a certified copy of the following documents.

Tick ✓	Enclose a certified copy of the following current documents.  <input type="checkbox"/> The Foreign Company's certificate or registration (or equivalent) issued by the relevant foreign registration/regulatory body indicating all of the following:  <ul style="list-style-type: none"><li>(i) The company's identification/registration number</li><li>(ii) The date it was incorporated or formed, AND</li><li>(iii) The company's registered address.</li></ul>
--------	--

Note: If the certificate of registration does not indicate any of the above details, enclose certified copies of other documents issued by independent third parties indicating the above details in addition to enclosing the certificate of registration.

#### **10. Verification procedure - Financial advisers**

## Record of verification procedure

**Either:**

- a. Attach certified copies of the ID documents (as required under sections 7, 8 and/or 9) used to verify your client (and any required translation); OR
  - b. Complete the details below and do not attach copies of the ID documents. By completing this you represent that you have verified your client's trust and trustee details according to the verification procedures in sections 7, 8 and/or 9.

ID document details	Document 1									
Verified from	<input type="checkbox"/>	Original	<input type="checkbox"/>	Certified copy						
Document name/type										
Document issuer										
Issue date	D	D	M	M	Y	Y	Y	Y		
Expiry date	D	D	M	M	Y	Y	Y	Y		
Document number										
Accredited English translation	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Sighted						
FATCA	The FATCA information is reasonable considering the documentation provided									<input type="checkbox"/>



# Identification Form - Trusts & Trustees

ID document details	Document 2
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	[18 boxes]
Document issuer	[18 boxes]
Issue date	D D M M Y Y Y Y
Expiry date	D D M M Y Y Y Y
Document number	[18 boxes]
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

## Financial adviser details

Date verified	D D M M Y Y Y Y
Authorised Representative Number (if any)	[18 boxes]
Financial adviser name	[18 boxes]
Phone number	[18 boxes]
Dealer group name	[18 boxes]
AFSL number	[18 boxes]
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>



#### Client Services contact details

**Phone**  
+61 3 9691 6191

**Email**  
invest@k2am.com.au

**Website**  
www.k2am.com.au

## Tax Information Form

### Why you need to complete this form

The Foreign Account Tax Compliance Act (**FATCA**) and Common Reporting Standard (**CRS**) are regulatory requirements that aim to deter tax evasion by US and other foreign taxpayers. The Australian and many other foreign Governments (through their tax offices) have an agreement which means we must ask you, and you must answer, these questions. Information we gather is reported to the Australian Taxation Office (**ATO**) and in turn to global tax authorities. For more information, visit [ato.gov.au](http://ato.gov.au).

If you are unsure of any of the answers, please contact a legal or accounting professional.

### Which sections of the form should you complete?

- Superannuation funds, testamentary trusts, registered charities – **Section 1**
- Individuals – **Section 2**
- Companies and other trusts – **Section 3**

### What if more than one person is applying?

Each individual investor will need to complete a copy of this form.

#### HELP

##### Tell me about tax residence

You can be a resident of more than one country for tax purposes. Whether you are tax resident of a particular country for tax purposes is often based on the amount of time you spend in a country and the location of your residence and/or place of work. If you pay tax or have a tax liability somewhere, you are probably a tax resident there. Dual citizenship often brings dual tax residency. It depends on the country. For the US, tax residency can be as a result of citizenship or residency for tax purposes.

If you're unsure, ask someone who knows, usually your accountant.

## SECTION 1 SUPERANNUATION FUNDS AND OTHER SPECIAL TRUSTS

### 1. Are you a superannuation or other special type of trust?

- I am the trustee of a **regulated superannuation fund**, or this includes a self-managed superannuation fund
- I am a trustee of a **testamentary trust**, or
- I am a trustee of a **registered charity**

#### HELP

**Regulated superannuation fund:** means self-managed superannuation funds, APRA regulated superannuation funds, Australian Government or semi-government superannuation funds and pooled super trusts.

**Testamentary trust:** this is a trustee of a trust set up in a deceased's will.

### Where to now?

- I ticked a box ► go to **Section 4 Signatures**
- I did not tick a box ► go to **Section 2** if you are an individual, or **Section 3** if you are a company or another type of trust

## SECTION 2 INDIVIDUALS

Do not complete **Section 2** if you are a non-superannuation trustee or you are a company ► complete **Section 3** instead.

### 2. Are you a US resident for tax purposes?

- No ► go to **question 3**
- Yes – please tell us your TIN ► go to **question 3**

TIN

#### HELP

##### What is a TIN?

This is short for Taxpayer Identification Number, an identification number issued or used by tax authorities. In Australia, the equivalent is the tax file number (TFN). For the US, it could for example be a US Social Security Number, a US Individual Taxpayer Identification Number or a US Employer Identification Number. In other countries, it may have a different name.

**3. Are you a resident of any other country for tax purposes?**

Other than the US or Australia.

No ► go to **Section 4 Signatures**

Yes – **please tell us which ones**, using the following table.  
► then go to **Section 4 Signatures**

**HELP**

**No TIN? Reasons we accept are:**

- #1 This country does not issue TINs
- #2 I have asked for a TIN, but have not yet been given one – **you must tell us when received**
- #3 The laws of this country do not require me to disclose my TIN
- #4 I have an exemption under the laws of this country from holding a TIN – **write a code or give us details**

	<b>Country</b>	<b>TIN</b>	<b>No TIN? Which reason? See HELP box above</b>
1.			
2.			
3.			
4.			

**SECTION 3 COMPANIES AND NON-SUPERANNUATION TRUSTS**

**4. Are you a US resident for tax purposes?**

No ► go to **question 5**

Yes – **please tell us your TIN** ► then go to **question 5**

**HELP**

**What is a TIN?**

See HELP box on the previous page.

**TIN**

**5. Are you a resident of any other country for tax purposes?**

Other than the US or Australia.

No ► go to **question 6**

Yes – **please tell us which ones**, using the following table.  
► then go to **question 6**

**HELP**

**No TIN? Reasons we accept are:**

- #1 This country does not issue TINs
- #2 I have asked for a TIN, but have not yet been given one – **you must tell us when received**
- #3 The laws of this country do not require me to disclose my TIN
- #4 I have an exemption under the laws of this country from holding a TIN – **write a code or give us details**.

	<b>Country</b>	<b>TIN</b>	<b>No TIN? Which reason? See HELP box above</b>
1.			
2.			
3.			
4.			

## 6. Are you a 'financial institution'?

Be careful – financial institution is broadly defined – see HELP box

Not relevant - I wrote my TIN in question 4 ► go to **question 7**

No ► go to **question 7**

Yes – **please tell us your GIIN – see HELP box**

GIIN

### Where to now?

- I ticked YES and completed my GIIN ► go to **question 7**
- I ticked YES but did not write a GIIN – tell us below why you did not write a GIIN ► then go to **question 7**

Excepted Financial Institution

Deemed Compliant Financial Institution

Exempt Beneficial Owner

Non-participating Financial Institution

Non-reporting IGA Financial Institution

Sponsored financial institution – their GIIN is

GIIN

## 7. Are you a public company listed on a stock exchange?

No ► go to **question 8**

Yes ► go to **Section 4 Signatures**

## 8. Are you 'active' or 'passive'?

I am an 'active' non financial entity ► go to **Section 4 Signatures**

I am a 'passive' non financial entity ► go to **question 9**

### HELP

#### What is a GIIN?

This stands for Global Intermediary Identification Number. GIINs are 19 digits long, issued by US tax authorities (the IRS) to non US financial institutions and sponsoring entities for purposes of identifying their registration with the IRS under US tax laws (called FATCA).

### HELP

#### What is a financial institution?

This includes:

- **an investment entity** - any entity that conducts certain activities or operations for or on behalf of a customer, including:
  - 'trading in money market instruments' and other relevant instruments
  - 'individual and collective portfolio management'
  - 'investing, administering, or managing funds or money on behalf of other persons'.

However, any trading, investing, administering or managing of **financial assets** on behalf of other persons must be done **as a business**. Note that **financial assets** does not include direct interests in real property.

An entity is also an investment entity if it is managed by another entity that is an investment entity.

An investment entity is generally only capable of including a trust if the trust's gross income is primarily attributable to investing, reinvesting, or trading in financial assets and the trust is managed by an entity that is a financial institution in its own right or otherwise is primarily conducting a business of trading, investing, managing or administering financial assets on behalf of other persons.

So, as general rules:

- managed investment schemes are investment entities
- trusts with professional corporate trustees (and often professional corporate investment managers) often are investment entities, such as unregistered (wholesale) managed investment schemes
- discretionary family trusts are not usually investment entities, even if they have someone managing the trust's assets for them.

The ATO gives some help in this, and it's worth seeking advice if you are unsure:

[ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/FATCA-detailed-guidance](http://ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/FATCA-detailed-guidance)

- **a depository institution**

you accept deposits in the ordinary course of a banking or similar business e.g. a bank

- **a custodial institution**

a substantial portion of your business (20 per cent plus of gross income) is held in financial assets for the account of others e.g. a custodian

- **certain prescribed entities**

e.g. types of insurance companies that have cash value products or annuities.

### HELP

#### What is 'active' and 'passive'?

- **If you are answering this question, then relevant tax laws categorise you as a 'non-financial entity'.**
- **We require less information from active non-financial entities, and more information from passive non-financial entities.**
- **Please tell us if you are active or passive.**
- **You are active if you are not passive.**
- **Passive: because our income and assets are mostly passive.** During the previous financial year, 50% or more of our gross income was passive income and 50% or more of our assets during that financial year were assets that produced or were held for the production of passive income. Passive assets are assets such as equities and debt securities that produce investment income such as dividends, interests, royalties and annuities.
- **Passive: because we are not really a business.** We are established and operated exclusively for: religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; as a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league; or as an organisation operated exclusively for the promotion of social welfare.
- **Passive: because we are exempt from Australian income tax.**
- **Other categories of passive?** They exist but are less common.

Get advice if you are unsure.





## SECTION 4 SIGNATURES

### Important information

Nothing in this form is advice (and any 'help' is general guidance only). Seek professional advice to be sure of your answers.

It is a condition of investing that you keep your details (including tax details) with us, up to date. We recommend that you review this tax information form at the end of the financial year and update your details if required. You must contact us when you learn new things about the matters in this form. Failing to update us can have tax and other consequences. You can update us by requesting and completing this form again and emailing, faxing or posting it to our Unit Registry.

By completing and signing this form:

- you represent having read and understood this form
- you represent this form is complete and accurate
- if you have applied for but not received your TIN or GIIN, you undertake to inform us within 30 days of receiving it
- you undertake that if information in this form changes, you will tell us within 30 days.

### How to sign

**Individual:** sign in the left box, and have someone witness in the right box. If you are investing jointly, you need a separate form for each individual.

**Company:** two directors, or a director and a secretary sign, or if you are a sole director company, that sole director signs in the left box and a witness in the right box.

#### Signature

Please print full name

Date (DD/MM/YYYY)

#### Signature

Please print full name

Date (DD/MM/YYYY)



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