



OSMOSIS RESOURCE EFFICIENT DEVELOPED MARKETS CORE EQUITY EX-FOSSIL FUELS TRUST

INFORMATION MEMORANDUM

APIR codes:

Class A (Unhedged): PIM5728AU

Class B (Hedged): PIM9199AU

Dated: 15 November 2023

Trustee

The Trust Company (RE
Services) Limited

ABN 45 003 278 831,
AFSL 235150

Investment Manager

Osmosis Investment
Management (Australia)
Pty Ltd ABN 80 670 854
798, CAR No. 001305635

Distributor

Clearway Capital Solutions
Pty. Ltd.

ABN 51 131 391 261, AFSL
328663

Administrator

Apex Fund Services
Pty Ltd

ABN 81 118 902 891



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Before you start

This Information Memorandum

The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) (**Perpetual** or the **Trustee**) is the trustee for the Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust (**Fund**). Osmosis Investment Management (Australia) Pty Ltd (ABN 80 670 854 798, CAR 001305635) (**Osmosis** or the **Investment Manager**) is the investment manager for the Fund and the issuer of this information memorandum (**Information Memorandum**). The Information Memorandum is dated 15 November 2023. No other person other than the Investment Manager has caused or authorised the issue of this Information Memorandum nor do they take responsibility for the preparation of this Information Memorandum.

This is an important document and you are encouraged to read it carefully. Because it does not take into account your personal circumstances, you are encouraged to seek professional advice before investing. The Information Memorandum is not intended to be a recommendation by the Investment Manager or its associates or any other person to invest in the Fund.

Information in this document is subject to change from time to time and, provided the changes are not materially adverse to investors, may be updated by Osmosis publishing such information at <https://www.osmosisim.com>. A paper copy of any updated information will be given upon request and is free of charge.

Structure and authorisations

The Fund is structured as an Australian wholesale (unregistered) unit trust and is a managed investment scheme for the purposes of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Osmosis is a corporate authorised representative (**CAR**) of Eminence Global Asset Management Pty Ltd (ABN 90 112 568 779, AFSL 305573) and is authorised to provide advice and to deal in financial products on behalf of the Fund in respect of wholesale clients only.

Not a regulated disclosure document

Osmosis has authorised the use of this Information Memorandum as disclosure to those persons who qualify as “wholesale clients” only (as the Corporations Act defines this term) in Australia and “wholesale investors” in New Zealand (in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (**FCMA Schedule 1**). This Information Memorandum is provided to you as a person to whom an offer of the Units would not require a disclosure document under Part 7.9 of the Corporations Act because you are a wholesale client (or in the case of New Zealand investors, both a wholesale client and wholesale investor). If you are not a wholesale client, please do not read this Information Memorandum. Please return it immediately to Osmosis.

All references to \$ amounts are to Australian dollars. New Zealand investors should note that international fund transfers may result in delays in applications being accepted.

Confidentiality and restrictions on distribution

This Information Memorandum is confidential. You must not copy or circulate it, in whole or in part, to any other person unless they are within your organisation and directly involved in your consideration of the proposed offer.



This Information Memorandum (including any copy of it) may not be distributed, directly or indirectly, outside Australia where it may be unlawful to do so.

No liability

Osmosis has prepared this Information Memorandum based on information available to it at the time of preparation and from sources believed to be reliable. Osmosis does not make any representation that it has verified the information. No representation or warranty is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this Information Memorandum or any other information Osmosis otherwise provides to you.

To the maximum extent permitted by law, Osmosis and its officers, employees and advisors are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this Information Memorandum or otherwise in connection with it.

Forward-looking statements and past performance

In particular, no representation or warranty is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward looking statements contained in this Information Memorandum. Forecasts, projections and forward-looking statements are by their nature subject to significant uncertainties and contingencies. You should make your own independent assessment of the information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information. Past performance is not indicative of future performance.

Scheme registration

The Fund is not registered with ASIC pursuant to Chapter 5C of the Corporations Act 2001. At some stage in the future, Perpetual, in consultation with Osmosis, may choose to register the Fund with ASIC. By investing in the Fund, you agree to us applying for registration with ASIC at some time in the future. If the Fund does become a registered managed scheme the level of fees may change from those shown in this Information Memorandum. If the fees do change we will write to you to notify you of the changes prior to the change becoming effective and give you sufficient time to withdraw from the Fund should you so choose.



1. Key features of the Fund

Fund name	Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust
APIRs	Class A (Unhedged): PIM5728AU Class B (Hedged): PIM9199AU
ISINs	Class A (Unhedged): AU60PIM57284 Class B (Hedged): AU60PIM91994
Underlying fund	Osmosis Resource Efficient Developed Markets Core Equity (Ex-Fossil Fuels) Fund (Underlying Fund), a sub fund of the Osmosis ICAV (ICAV), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and with segregated liability between sub-funds authorised by the Central Bank of Ireland on 7 April 2017 as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended consolidated or substituted from time to time).
Trustee	The Trust Company (RE Services) Limited
Investment manager	Osmosis Investment Management (Australia) Pty Ltd (ACN 670 854 798, CAR 001305635)
Investment manager of the Underlying Fund	Osmosis Investment Management UK Limited, a private limited company incorporated in England and Wales with company number 09960550 and FCA number 765056, with its registered office at 36-38 Botolph Lane, London EC3R 8DE, United Kingdom
Distributor	Clearway Capital Solutions Pty Limited (ABN 51 131 391 261, AFSL 328663) (Clearway Capital)
Fund structure	An open-ended wholesale unregistered managed investment scheme, structured as an Australian unit trust
Investment strategy	<p>The Fund will, at least initially, invest substantially all of its assets in the Underlying Fund.</p> <p>The Fund aims to achieve its investment objective through exposure to equity securities of resource efficient public companies via the Underlying Fund.</p> <p>Resource efficient public companies are those companies which use less fossil-fuel based energy per unit of revenue than their sector peers, use less water per unit of revenue than their sector peers and create less landfill, incinerated and recycled waste per unit of revenue than their sector peers (as determined by the MoRE Model).</p> <p>Class A (Unhedged) invests in Class AFF of the Underlying Fund, being an Australian denominated share class of the Underlying Fund.</p>



Class B (Hedged) invests in Class AFF (Hedged) of the Underlying Fund, being an Australian denominated share class of the Underlying Fund hedged for foreign currency exposure.

Investment objective¹	<p>Class A (Unhedged) - The investment objective of the class is to provide investors with capital appreciation over the medium to long term and to outperform the Benchmark after all fees and expenses measured over a market cycle (which Osmosis considers to be seven years). Returns are not guaranteed.</p> <p>Class B (Hedged) - The investment objective of the class is to provide investors with capital appreciation over the medium to long term and to outperform the Benchmark after all fees and expenses measured over a market cycle (which Osmosis considers to be seven years) with its underlying investments being hedged for foreign currency exposure in the Underlying Fund. Returns are not guaranteed.</p>
Benchmark²	MSCI World (Developed) USD NTR
Investment timeframe	5- 7 years
Liquidity	Daily
Risk	As a standalone investment, the Fund should be considered high risk
Gearing	<p>Borrowing will not be utilised for the purposes of gearing. Borrowings on behalf of the Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. The Fund may borrow to meet redemption requests.</p> <p>Borrowings on behalf of the Underlying Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Underlying Fund. The Underlying Fund may borrow to meet redemption requests.</p>
Who can invest	The Fund is an Australian wholesale (unregistered) managed investment scheme so you need to be a “wholesale client” as defined by the Corporations Act or a “wholesale investor” in New

¹ Note the investment return objective is not intended to be a forecast. It is merely an indication of what Classes A and B aim to achieve over the medium to longer term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

² Note the Benchmark is USD denominated and used for performance comparison purposes, with performance relative to the Benchmark typically shown in USD converted from AUD at the spot exchange rate relevant to the time of the performance comparison. From time to time there may be material differences between the performance of a class of units relative to the Benchmark and the performance of the classes of units relative to each other due to factors including currency movements and any hedging strategies used by the relevant class. Returns are not guaranteed.



Zealand. Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.

<p>Fees and costs</p>	<p>Management fees and costs estimated to be 0.58% - 0.64% pa of the Net Asset Value of the Fund, comprised of:</p> <ul style="list-style-type: none"> ■ Management fee: 0.38% pa (including net GST) of the Net Asset Value of the Fund ■ Expenses: 0.11% - 0.16% pa (including net GST) of the Net Asset Value of the Fund ■ Indirect costs: 0.09% - 0.10% pa (including net GST) of the Net Asset Value of the Fund <p>Please see the Fees and costs section for more information</p>
<p>Applications</p>	<p>The minimum initial application that will be accepted is \$100,000 (unless otherwise agreed with Osmosis) with additional applications subject to a minimum of \$50,000 (unless otherwise agreed with Osmosis).</p> <p>If applications are received and accepted by the Administrator before 12.00pm Sydney time on a Dealing Day, then they are generally processed using the unit price calculated two subsequent Dealing Days later. If applications are received and accepted by Apex after this time, or on a non-Dealing Day, it is treated as having been received before 12.00 pm Sydney time the next Dealing Day.</p>
<p>Cooling off</p>	<p>There is no cooling-off right for investors. An Application Form cannot be withdrawn once it has been received</p>
<p>Withdrawals</p>	<p>The minimum withdrawal request is \$50,000 subject to your balance being at least \$50,000. Withdrawals will be processed on a daily basis providing the withdrawal request is received. If withdrawal requests are received and accepted by the Administrator before 12.00pm Sydney time on a Dealing Day, then they are generally processed using the unit price calculated two subsequent Dealing Days later. If applications are received and accepted by Apex after this time, or on a non-Dealing Day, it is treated as having been received before 12.00 pm Sydney time the next Dealing Day.</p>
<p>Dealing Days</p>	<p>A "Dealing Day" means a day which is both a Business Day and an Ireland Dealing Day.</p> <p>A "Business Day" means a day (other than a Saturday or Sunday) on which trading banks are open for banking business in Sydney.</p> <p>An "Ireland Dealing Day" means a day that is a dealing day for Underlying Fund being any day (except Saturdays or Sundays) on which banks are open for business in Ireland and England or such other days as the manager of the Underlying Fund may determine from time to time.</p>



Buy/sell spread

Nil.

Distribution frequency

Annual

Distributions are generally reinvested unless Osmosis agrees otherwise. Please see the Application Form for information concerning reinvestment of any distributions



osmosis
INVESTMENT MANAGEMENT

2. The investment opportunity

Exposure to developed markets (large cap) equities

The Fund is an unregistered managed investment scheme, governed by the Fund's trust deed (**Trust Deed**). When you invest in the Fund, your money will be pooled with that of other investors. When investing in the Fund you receive units and each unit represents an equal interest in the total net assets of the Fund as a whole, but not in any particular asset of the Fund.

The Fund is a 'feeder fund' meaning that it gains indirect exposure to underlying assets by investing all or substantially all of its assets in the Osmosis ICAV (**ICAV**), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and with segregated liability between sub-funds authorised by the Central Bank of Ireland on 7 April 2017 as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended.

The ICAV is an umbrella fund with separate share classes. The Fund intends to invest in the share class referable to the Osmosis Resource Efficient Developed Markets Core Equity (Ex-Fossil Fuels) Fund (**Underlying Fund**), a sub-fund of the ICAV.

Class A of the Fund will invest in Class AFF of the Underlying Fund via the ICAV.

Class B of the Fund will invest in Class AFF (Hedged) of the Underlying Fund via the ICAV.

Osmosis is the investment manager of the Fund. Osmosis's related body corporate, Osmosis Investment Management UK Limited (**OIM UK**), is the investment manager of the Underlying Fund.

The Fund may also invest directly into those underlying asset classes, alongside the Underlying Fund.

The composition of any portfolio held directly will match that held by the Underlying Fund.

The Fund offers a hedged class of units and an unhedged class of units for investment. The hedged class of units hedges the Fund's currency exposure back to Australian dollars (AUD) whereas the unhedged class of units does not hedge the Fund's currency exposure.

Investment objective

Class A (Unhedged) - The investment objective of the class is to provide investors with capital appreciation over the medium to long term and to outperform the Benchmark after all fees and expenses measured over a market cycle (which Osmosis considers to be seven years). Returns are not guaranteed.

Class B (Hedged) - The investment objective of the class is to provide investors with capital appreciation over the medium to long term and to outperform the Benchmark after all fees and expenses measured over a market cycle (which Osmosis considers to be seven years) with its underlying investments being hedged for foreign currency exposure in the Underlying Fund. Returns are not guaranteed.

Investment strategy

The Fund invests substantially all of its assets in the Underlying Fund via the ICAV.

The Underlying Fund aims to achieve its objective through active exposures to equity securities of resource efficient public companies. Resource efficient public companies are those companies which use less fossil-fuel based energy per unit of revenue than their sector peers, use less water per unit of revenue than their sector peers and create less landfill, incinerated and recycled waste per unit of



revenue than their sector peers (as determined by the Osmosis Model of Resource Efficiency (**MoRE Model**)).

The MoRE Model is a proprietary model developed by the research team at OIM UK. It is a model which calculates and compares companies based on their Resource Efficiency Factor Score. This is a company specific score which is defined as the weighted sum of a company's fossil-fuel based energy per unit of revenue, purchased water per unit of revenue and the amount of landfill, incinerated and recycled waste per unit of revenue. The Resource Efficiency Factor Scores are re-calculated in respect of each company upon publication of its annual financial statements (including its environmental report) and the portfolio will be adjusted quarterly to reflect these changes.

The Underlying Fund typically invests between 90% and 100% of its Net Asset Value (**NAV**) in company shares and will hold a broad spread of equity investments from a broad range of economic sectors worldwide excluding those directly involved within the fossil fuels industry.

In relation to investment in equity securities, typically 90% of the NAV of the Underlying Fund will be listed or traded on a recognised exchange.

The Underlying Fund may also invest up to 10% of its NAV in cash equivalents (such as money market funds (notably collective investment schemes) and money market instruments, including, but not limited to, certificates of deposit, fixed or floating rate notes and fixed or variable rate commercial paper (which are considered investment grade or above as rated by the principal rating agencies)) issued by governments and/or corporations and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

For cash management purposes, the Underlying Fund may invest up to 10% of its NAV in aggregate in collective investment schemes, including open-ended exchange traded funds (**ETFs**).

Investment universe of the Underlying Fund

The investment universe looks at the world's largest public companies in developed global markets and the Resource Efficiency Factor Score is generated through the MoRE Model which calculates scores on a systematic basis using a proprietary resource efficiency valuation metric derived from observed amounts of energy consumed, water use, and waste created relative to revenue generated for each company in the global large cap universe. The Resource Efficiency Factor Score is entered into an optimization program as an "alpha score" and third party risk models are used as the risk function. The optimizer is programmed to maximize the Resource Efficiency Factor score whilst controlling to the constraints set within the third party risk models (an optimiser in this context is a financial tool used by the Investment Manager to generate investment portfolios subject to multiple risk constraints such as turnover and industry and country exposure). The third party risk models used are multi-factor risk models and are used to generate a portfolio with a similar risk profile to that of the Benchmark. Typical examples of the common factors controlled for are industry, country and style (growth, value, momentum, etc.). Such risk models do not provide discretionary investment management authority to third parties in respect of the assets of the Underlying Fund.

The MoRE Model will analyse the disclosing universe of public companies in the Selection Pool (i.e. those constituents of the Selection Pool that disclose sufficiently on their energy consumption, waste creation and water consumption, in the public domain through their annual reports and sustainability reports; this data is checked for completeness and accuracy and then entered into the Model of Resource Efficiency database making it part of the disclosing universe of stocks). This data is checked by the specialist research team at the Investment Manager for completeness and accuracy and then entered into the Model of Resource Efficiency database making it part of the disclosing universe of stocks. The specialist research team at the Investment Manager assesses, corrects, normalises and



collates resource efficiency data from large corporates as its core function. Data runs through a statistical check on both absolute quantities and intensities. Significant data variations and anomalies with respect to previous years are automatically selected for manual analysis: annual and semi-annual sustainability reports are then researched to validate or correct the original source information.

Only companies which disclose on GHG Equivalent Emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency. The Underlying Fund's investment portfolio is deliberately biased towards companies with higher scores thereby increasing the portfolio weights towards greater resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, then the Resource Efficiency Factor Score will change for that company. A company that either does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero factor score. The Underlying Fund's portfolio is rebalanced quarterly to take into account both the Resource Efficiency Factor Score and ex-ante active risk constraint, (which is a forward looking, forecasted active risk sensitivity which shows the potential divergence of a portfolio from its stated Benchmark).

This Underlying Fund applies fossil fuel exclusions in accordance with the Investment Manager's fossil fuel exclusionary policy. These exclusions currently apply to companies that the Investment Manager deems to have material involvement (i.e. greater than 5%) in thermal coal, oil sands, fossil fuel reserves, oil & gas equipment and services and oil & gas extraction and production (though re-inclusion is considered for transitioning companies, ie a utility company generating more than 50% of its electricity from renewable energy (including hydropower) could be returned back into the selection pool). In addition to the foregoing, the Investment Manager seeks to apply wider principle based exclusions on companies with material involvement (as considered by the Investment Manager) in:

- Environmental, Social and Governance ("ESG") controversies (failure to comply with UNGC principles);
- Controversial weapons – cluster munitions, landmines, bio-chemical weapons;
- Nuclear weapons;
- Civilian firearms; and
- Tobacco.

The Investment Manager has established an ESG Advisory Council who are responsible for keeping ESG criteria under review to assess the applicability and/or relevance of exclusions in the context of the developing economy and how companies are approaching their transition towards zero carbon production. The ESG Advisory Council will include employees of the Investment Manager as well as external parties who have expertise in and working knowledge of Environmental, Social and Governance principles. Appointments will be made by invite only and the ESG Advisory Council will be run and controlled by the Investment Manager. The ESG Advisory Council will not have any power to dictate the decisions of the Investment Manager, who will at all times retain full discretion over the



assets of the Underlying Fund, however the Investment Manager will review the opinions, as expressed by the Council.

Investments are selected using the Investment Manager's proprietary resource efficiency metrics, upon which the MoRE Model is based. In addition the Investment Manager applies a discretionary exclusionary policy for the Underlying Fund that accords with the Underlying Fund's investment philosophy; these exclusions and the Investment Manager's policies underpinning them will evolve as the wider ESG landscape evolves. In the event that any material changes to the above exclusions are proposed then, subject to the approval of the Central Bank, this Supplement will be updated appropriately. The ESG Advisory Council provides external views to assist in the development of the Investment Manager's ESG policies.

The Underlying Fund is actively managed in reference to the Benchmark by virtue of the fact that the investment objective of the Underlying Fund is to outperform the Benchmark. The Investment Manager has discretion to invest in securities not included in the Benchmark at any time in order to take advantage of investment opportunities. The investment strategy will restrict the extent to which the Underlying Fund's holdings may deviate from the Benchmark. This deviation may be material.

Financial Derivative Instruments

No derivatives are used directly by the Fund.

The Underlying Fund may use derivatives for investment and efficient portfolio management purposes including for hedging purposes. The only techniques and instruments which may be used by the Underlying Fund are exchange traded futures.

For example, the Underlying Fund may sell futures on equities or currencies to manage risks by "locking in" gains and/or protecting against future declines in value of the Fund's investments. Futures are contracts in standardised form between two parties entered into on an exchange, whereby one party agrees to sell to the other party an asset at a price fixed at the date of the contract, but with delivery and payment to be made at a point in the future. The Underlying Fund may buy futures on equities or currencies to take a position in securities to achieve the investment objective of the Underlying Fund where the Investment Manager believes that these securities are undervalued and will enhance the Underlying Fund returns or where the Investment Manager seeks to ensure that its cash receivables are invested in the markets to avoid a cash drag on the returns of the Underlying Fund.

The Underlying Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Underlying Fund and will be measured using the commitment approach.

Investing in the Fund

The minimum initial application that will be accepted is \$100,000 (unless otherwise agreed with Osmosis) with additional applications subject to a minimum of \$50,000 (unless otherwise agreed with Osmosis).



3. People responsible for the Fund

Investment Manager




The Investment Manager of the Fund is Osmosis Investment Management (Australia) Pty Ltd. The Trustee has appointed Osmosis Investment Management (Australia) Pty Ltd as investment manager to the Fund with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for managing the assets and investments of the Fund in accordance with the investment objectives, policies and strategies described in this Information Memorandum, subject always to the supervision and direction of the Trustee.

Osmosis is a related body corporate of OIM UK, the manager of the Underlying Fund. OIM UK was incorporated in England on 20th January 2016 under the Companies Act 2006 as a private company and is regulated and authorised by the Financial Conduct Authority in the United Kingdom as an investment manager. Both Osmosis and OIM UK are wholly owned subsidiaries of Osmosis (Holdings) Limited.

Key personnel in the Osmosis team include³:

	<p>Ben Dear</p> <p>CEO</p> <p>Ben founded Osmosis following the financial crisis of 2008 believing there was an opportunity to change the way capital is allocated as a force for good. With the intent of growing a globally recognised brand within the asset management industry, Ben sought a sustainable investment solution that would work for the economy and the environment and thus encourage mainstream adoption.</p>
	<p>Graeme Stephen</p> <p>Director</p> <p>Graeme has been in the financial services industry for more than 25 years specialising in fund management in the alternative sector. After seven years with Clifford Chance, Graeme joined Man Investments where he was one of the original directors responsible for Corporate Finance, Legal, Structuring & Compliance, developing products for global distribution. He built a pro-active compliance team responsive to multi-jurisdictional regulatory requirements.</p>

³ Information has been provided for the purposes of providing background to the Investment Team and their prior experience. Any investments described are not investments, or proposed investments, of the Fund nor the Underlying Fund and cannot be used to consider the merits of becoming an investor in the Fund or the Fund's or Underlying Fund's prospects of success. Past performance is no indicator of future performance.

	<p>Robbie Parker, CFA</p> <p>Chief Investment Officer</p> <p>Robbie is the Chief Investment Officer at Osmosis as well as Chair of the Osmosis Investment Oversight and Development Committee. He has direct responsibility for the investment process as well as research and development initiatives. Robbie’s expertise lies within non-traditional, sustainable alpha sources and integrating those within quantitative frameworks. Robbie has worked with clients to develop and launch multifactor funds that target an uncorrelated alpha source whilst significantly reducing a portfolio’s environmental impact. Such portfolios have committed capital in excess of USD 13 billion.</p>
	<p>Alex Stephen</p> <p>Portfolio Manager</p> <p>Alex has over 20 years’ experience in financial markets primarily as a portfolio manager and dealer. He spent eight years in Australia, working with Redpoint Investment Management, a quantitative equity boutique and Antares Equities. Prior to leaving the UK he worked for eight years as a portfolio manager at Legal & General Investment Management (LGIM), managing a number of index portfolios.</p>
	<p>Lennart Hermans</p> <p>Environmental Research Director</p> <p>Prior to joining Osmosis, Lennart was a senior technical officer at the Carbon Disclosure Project (CDP), where he developed assessment methodologies for corporate disclosures on climate change, water security and deforestation. Lennart also led work on developing reporting frameworks with the Global Reporting Initiative (GRI) on waste and with the European Commission on best environmental practices targeting high impact sectors.</p>
	<p>Nevelon Cheand CGMA</p> <p>Head of Trading Operations</p> <p>Nevelon has over 20 years’ experience in investment management. Prior to joining Osmosis in 2018, he worked for Harmonic Capital Partners, a global systematic hedge fund, as the Head of Operations.</p>

Distributor

The distributor of the Fund is Clearway Capital Solutions Pty Ltd (**Clearway Capital**). Clearway Capital is based in Sydney, Australia and operates in the institutional, wholesale and sophisticated fund



markets of Australia and New Zealand. Clearway Capital provides ongoing business development and client service, conducting marketing research on a project basis, and product advice for leading local and offshore-based fund managers across a variety of asset classes.

Trustee

The Trust Company (RE Services) Limited is the trustee for the Fund. The Trust Company (RE Services) Limited is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827, and a part of Perpetual Group which has been in operation for over 135 years. Perpetual Limited is an Australian public company that has been listed on the Australian Securities Exchange for over 55 years.

The Trustee holds Australian Financial Services License number 235150 issued by ASIC, which authorises it to operate the Fund.

The Trustee is bound by the Fund's trust deed (**Trust Deed**) and the Corporations Act 2001 (Cth) (**Corporations Act**).

The Trustee has the power to delegate certain aspects of its duties. The Trustee has appointed Osmosis as the investment manager of the Fund.



4. Risks

An investment in the Fund should be seen as a high risk and medium to long term investment. Investors should be prepared to invest for at least 5 - 7 years.

All investments are subject to varying risks, and the value of your investment in the Fund can rise and fall over time.

Different types of investments have different risk characteristics, which will affect investment performance. Risk cannot be entirely avoided when investing. The philosophy employed for the Fund is to identify and manage risk as far as is practicable. However, Osmosis does not promise that the ways in which risks are managed will always be successful and, if certain risks materialise, any distributions and the value of your investment could be adversely affected. Some risks can never be practically managed.

Significant risks associated with:

- an investment in the Fund and
- investments by the Fund

are discussed below.

Risks associated with an investment in the Fund

TYPE OF RISK	DESCRIPTION OF RISK
Accounting standards	Changes to accounting standards may affect valuation of the Fund's assets, liabilities, income and expenses in a manner which may be adverse to investors
Changes in law and government policy	There is a risk that the government or a governmental agency will repeal, or amend an existing law or regulation, or enact or promulgate a new law or regulation or that the government, a governmental agency or the courts will issue a new interpretation of a law or regulation which may adversely affect the Fund or the Underlying Fund. Without limiting the types of changes in law and government policy that may occur, the tax and/or regulatory status of the Fund or the Underlying Fund may be adversely affected
Taxation	The returns to investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure investor interests are protected
Disasters	Disasters such as natural phenomena, pandemics, COVID-19, acts of God and terrorist attacks may damage or cause disruption to the Fund or the Underlying Fund. It is not always possible to insure against some of these events in part or in full. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected.
Structural	Risks associated with investing in the Fund include: <ul style="list-style-type: none"> ■ it could be terminated;



- there can be changes in Osmosis, OIM UK, or in investment and management teams or key relationships, or there could be disputes amongst them;
- someone involved with your investment (even remotely) does not meet their obligations or perform as expected;
- investment decisions, although taken carefully, are not always successful;
- investing in the Fund may give different results compared to investing directly; and
- the Fund may issue multiple classes of Units. The assets and liabilities of the Fund are attributed to the relevant classes and are administered separately so the unit price, fees and performance of each class is independent of each other. However, legally the assets and liabilities of a particular class are the assets and liabilities of the Fund as a whole. As such, if a particular class were to suffer an adverse financial event, in the event the Fund is terminated it is possible that all classes of units may be affected.

Underlying Fund

The Fund will invest predominantly into the Underlying Fund and its success and failure will be solely determined by the success and failure of the Underlying Fund. Investors in the Fund will not have the same rights as ICAV shareholders as they are not direct investors in the ICAV. This includes the ability to vote on matters concerning the Underlying Fund which are subject to Underlying Fund shareholder consent or approval. Instead, the Trustee will determine how to vote in respect of any consents or approvals required from the Fund as an ICAV shareholder. Investors will also not have the right to take action against the ICAV directly because they are not direct ICAV investors. Further, different tax outcomes may apply where an investor invests directly in the ICAV (as an ICAV shareholder) instead of indirectly (as an Investor in the Fund). Investors should seek their own legal and tax advice before investing.

Management

The degree of success of the Fund will depend on the expertise and experience of employees of OIM UK in identifying, structuring, developing and realising potential investments consistent with the Underlying Fund's investment objectives and strategy.

While the intention is for Osmosis and OIM UK to maintain a stable Investment Team that is focused on the Fund, the ICAV, the Underlying Fund and their growth, there can be no assurance that the Investment Team will continue to be employed by, or otherwise available to, the Investment Manager.

Regulatory

The Fund is not required to be registered under the Corporations Act and accordingly, investors do not receive the protections provided under the Corporations Act or by ASIC as a regulated scheme, nor is the Fund a regulated offer in New Zealand. The Fund is governed by the Trust Deed and the offer set out in this Information Memorandum which has not been lodged with ASIC. Regulatory changes to the Corporations Act may affect optimum investment decision making by the Investment Manager.



	<p>The actions of governments and regulators have a significant influence on the outlook for companies and the returns to investors.</p>
Compulsory redemption	<p>Units may be subject to compulsory redemption under the Trust Deed, for example, in the event of an investor ceasing to hold the required minimum holding.</p>
Past performance	<p>The past performance of the key management personnel of OIM UK and the Trustee are not indicative of future performance. There can be no assurance that the investment objectives of the Fund and Underlying Fund will be achieved.</p> <p>Although the senior executives of the Investment Manager and OIM UK have considerable experience, the Fund and Underlying Fund themselves have limited operating history upon which prospective investors may base an evaluation of the potential performance of the Fund and Underlying Fund. The past performance of prior investments that the Investment Team has been involved with is no indicator of future performance.</p>
Cyber	<p>There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the Investment Manager and Trustee's IT systems and networks and those of their service providers.</p>
Conflicts of interest and related parties	<p>The Investment Manager and the Trustee have significant roles and responsibilities in relation to the Fund. Certain advisors and service providers to the Fund and the Underlying Fund may be related parties of the Investment Manager. There is a risk that decision-making between the entities, or between the Investment Manager and any other related parties may not be impartial and may result in a conflict of interest.</p>
Borrowing	<p>Borrowing will not be utilised for the purposes of gearing. However, both Fund and Underlying Fund are permitted to borrow (with the associated granting of security over trust property) up to 10% of the Fund's Net Asset Value, for example, for the purposes of meeting redemptions or paying fees and expenses of the Fund.</p> <p>There is a risk that a delay or default by the relevant borrower on the payment of interest or repayment of loan principal could result in the relevant security being enforced and a reduction in the value of the Fund or Underlying Fund's investments.</p>

This list does not purport to be a complete or conclusive examination of the risks in relation to an investment in the Fund. Potential investors should read this Information Memorandum in its entirety and seek professional advice before deciding to invest. Performance of the Fund is not guaranteed.

Risks associated with the investments made by the Fund

TYPE OF RISK	DESCRIPTION OF RISK
Market risk	Economic, technological, political or legal conditions, unexpected major world events, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Underlying Fund. These changes can all directly or indirectly create an environment that influences the value of the Underlying Fund's investments.
Currency	<p>The Underlying Fund's portfolio may hold investments priced or exposed to foreign currencies. These investments will be exposed to foreign exchange risk which can either positively or negatively impact the investment returns of the Underlying Fund and, in turn, the Fund.</p> <p>For New Zealand investors, 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.</p>
Interest rate risk	<p>Changes in interest rates can have a negative impact on the Fund and the Underlying Fund. Reasons for interest rate changes include changes in inflation, economic activity and central bank policies.</p> <p>Interest rate risk is inherent in the Fund and the Underlying Fund and rate movements will have both a positive and negative impact on the Fund and Underlying Fund.</p>
Mandate risk	<p>OIM UK will be sourcing new investments in accordance with the investment objectives and parameters it has set for the Underlying Fund.</p> <p>Investors will have no direct control over the investments to which the Fund and Underlying Fund will be exposed.</p>
Counterparty risk	There are a number of contractual arrangements in place with third parties which facilitate the operation of the Fund, the Underlying Fund and the management of their assets. If counterparties are unable to meet their obligations or perform services to the required standard, the Fund and Underlying Fund could be adversely impacted.
Investment strategy	<p>Unfavourable circumstances may affect OIM UK's ability to make investments at acceptable prices. The Investment Manager and OIM UK may not be successful in implementing their investment strategies.</p> <p>The Underlying Fund may invest in equity and equity-related securities traded on national securities exchanges and over-the-counter markets. Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities,</p>



including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a result, the Underlying Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline.

Sustainability

Sustainability risks and opportunities are at the core of the Fund's strategy. As stated above, the OIM UK uses its MoRE Model to attribute Resource Efficiency Factor Scores to each company within the Underlying Fund's investment universe. This allows OIM UK to select resource efficient public companies for investment. By gaining exposure to such resource efficient public companies, the Investment Manager seeks to reduce sustainability risks to the Fund.

The Investment Manager's investment thesis is that companies that derive greater economic value relative to their natural resource consumption will be rewarded by the market over the long-term. It believes the Resource Efficiency Factor Scores allow it to identify target companies who have best adapted their businesses to future sustainability risks and which will financially thrive relative to their same sector peers. The results of the assessment of the likely impact of sustainability risks on the returns of the Fund indicate that the impact on returns will be low.

Operational

Operational risk exists in all managed funds. The Investment Manager or OIM UK may fail to properly execute the strategy of the Fund or Underlying Fund or fail to have adequate systems and processes in place to monitor the Fund's investments. It may also fail to manage accounting and distribution processes effectively. The departure of key personnel is always an inherently high operational risk.

Derivatives risk

The Underlying Fund may enter into derivative transactions. Substantial risks are involved in the use of financial derivative instruments.

Trading risks include both counterparty risk and the risk that the financial institution used as an intermediary or counterparty might default, notably as a result of insolvency, and risks derived from the nature of transactions themselves or market risk.

Additionally, substantial risks are involved in trading financial derivatives in which the Underlying Fund intends to trade. The value of positions in derivatives is influenced by, among other things, changing supply, and demand for underlying assets, or by trade, fiscal and monetary policies of governments, foreign exchange controls as well as national and international political and economic events. In addition, governments from time to time may intervene, directly or by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all such markets to move rapidly in the same direction. Variance in the degree of volatility of the market from the Underlying Fund's expectations may produce significant losses to the Underlying Fund and in turn the Fund.



<p>Leverage risk</p>	<p>The Underlying Fund may engage in leverage for investment purposes. The use of leverage creates special risks and may significantly increase the Underlying Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Underlying Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Underlying Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Underlying Fund may decrease more rapidly than would otherwise be the case.</p>
<p>Investment in Cash and Money Market Instruments</p>	<p>The Underlying Fund may invest substantially in deposits with credit institutions and/or in Money Market Instruments. An investment in the Underlying Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Underlying Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested may fluctuate up and/or down.</p>
<p>International investment risk</p>	<p>The Underlying Fund will invest in companies listed on overseas exchanges which will give rise to foreign currency exposure. The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance and the Fund may have less protection under laws outside of Australia, and any investments in emerging markets may be more volatile than investments in more developed countries.</p>
<p>Currency risk</p>	<p>Class A units are not currency hedged. Changes in the value of the Australian dollar against foreign currencies may affect the value of international investments (in Australian dollar terms). Class A units do not use hedging to manage the exchange rate risk arising from investing internationally. Accordingly, Class A units are affected by currency fluctuations, and their value may be reduced with a rise in the Australian dollar.</p> <p>Class B units seek to minimise the effect of currency movements within the portfolio. Class B units aim to achieve this by applying a currency overlay that hedges, as far as is practicable, all foreign currency exposures into Australian dollars. This approach is passively applied (meaning that the objective is to remove currency risk without trying to add to returns by actively managing currency positions).The Investment</p>



Manager intends to hedge the currency exposure for Class B units by entering into forward foreign exchange contracts. Although Class B units' foreign currency exposure is hedged, the hedge may not provide complete protection from adverse currency movements. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. The foreign currency exposure of Class B units will be hedged back to Australian dollars.

Concentration risk

The Fund, via its investment in the Underlying Fund may invest in a limited number of securities compared to more diversified funds or it may focus its investments and hold relatively large positions in, among other things, particular industries, countries, sectors, currencies or issuers. Where this happens, the Fund and the Underlying Fund may have a greater level of sensitivity to those industries, sectors, countries, currencies or issuers and the events, developments or issues that affect their prices.

This list does not purport to be a complete or conclusive examination of the risks in relation to the investments made by the Fund. Potential investors should read this Information Memorandum in its entirety and seek professional advice before deciding to invest. A return of capital is not guaranteed.

Management of risks

Whenever the Fund invests, Osmosis carefully assesses the potential for returns in light of the likely risks involved.

Osmosis rigorously monitors and seeks to manage, as far as is practicable, risk across the entire investment process. However, many risks are difficult or impractical to manage effectively and some risks are beyond Osmosis's control altogether.

You can help manage your own risks too. You can:

- know your investment goals and your risk tolerance
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- diversify your investments (that is, don't invest all your monies in the Fund or in similar funds)
- invest for at least the recommended timeframe
- keep track of your investment and
- speak with a financial advisor and make sure the Fund is the right investment for you at the particular time.



5. Fees and costs

Summary

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs⁴		
<p><i>Management fees and costs*</i> The fees and costs for managing your investment⁵</p>	<p>0.58% - 0.64% pa of the Net Asset Value of the Fund, comprised of:</p> <ol style="list-style-type: none"> 1. a management fee of 0.38% pa of the Net Asset Value of the Fund 2. estimated expense recoveries of 0.11% - 0.16pa of the Net Asset Value of the Fund 3. estimated indirect costs of 0.09% - 0.10% pa of the Net Asset Value of the Fund 	<p>The management fee is calculated and accrued daily and is payable monthly in arrears. The fee is deducted from the assets of the Fund.</p> <p>Expense recoveries are paid out of Fund assets as and when incurred.</p> <p>Indirect costs are paid out of the Fund's assets or interposed vehicle's assets as and when incurred.</p>
<p><i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product</p>	Nil	Not applicable

⁴ All fees are expressed as a percentage of net asset value of the Fund excluding accrued fees.

⁵ The amount of this fee can be negotiated (for certain wholesale clients).

* This is an estimate only. Please refer to our website for any updates on these estimates which are not considered materially adverse from an investor's point of view.



Type of fee or cost	Amount	How and when paid
<i>Transaction costs*</i> The costs incurred by the scheme when buying or selling assets	Nil	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred. These costs are expressed net of any amount recovered by the buy-sell spread. No transaction costs are anticipated for such time as the Fund invests solely in the Underlying Fund.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders. No buy-sell spread is currently being charged.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
<i>Switching fee</i> The fee for changing investment options	Nil	Not applicable

Management fees and costs

The management fees and costs include the Trustee's fees and Osmosis' management fees, the Fund's ordinary and abnormal expenses and any indirect costs.

Management fees and costs paid out of the Fund's assets reduce the Net Asset Value of the Fund and are reflected in the unit price.

Management fees and costs do not include transaction costs (i.e. the costs associated with investing in the underlying assets, some of which may be recovered through a buy/sell spread).



The Investment Manager is entitled to receive an amount equal to 0.38% (including net GST) per annum of the Net Asset Value of the Fund, accrued daily and payable and calculated monthly in arrears (with pro rata payments for partial periods).

Management fees are payable to the Investment Manager under the Investment Management Agreement and will be paid from the Fund.

No management fees will be payable by the Fund at the Underlying Fund – the Fund invests into zero fee share classes of the Underlying Fund.

Expenses

Ordinary expenses include legal, audit, accounting and taxation preparation costs, trustee fees, custodian fees, insurances, government charges, AML checking fees, establishment costs and general expenses. These are estimated to be 0.11% - 0.16% pa of the Net Asset Value of the Fund and are deducted from the Fund's assets. Some of these fees are fixed and will fall as a proportion as the Fund assets grow. The Investment Manager may elect to cover certain Fund expenses personally during any period.

Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, legal fees, once off or non "business as usual" fees, and termination and wind up costs. If abnormal expenses are incurred, they will be deducted from the assets of the Fund as and when they are incurred.

Osmosis pays its personal costs from its own moneys, including premises, research, wages and director fees, insurance, its own accounting and any audit and licensing.

Indirect costs

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. the Underlying Fund any fund that the Underlying Fund may in turn invest in) and certain OTC derivative costs. The Fund's indirect costs are estimated to be 0.09% - 0.10%pa of the Net Asset Value of the Fund. Our estimate of the indirect costs for the Fund during this financial year was calculated using the actual fees and expenses incurred by the Underlying Fund over the 12 month period. Indirect costs are reflected in the share price of the Underlying Fund (and in turn, the unit price of the Fund) and borne by investors, but they are not paid to the Trustee or Investment Manager. Actual indirect costs for future years may differ.

Performance fees

Nil – no performance fee is charged by the Investment Manager.

Transaction costs

Transaction costs include brokerage, settlement costs, currency transactions, clearing and stamp duty costs. When you invest in the Fund, the Investment Manager may buy (and sell) investments and incur these costs. When you withdraw, the Investment Manager may sell investments so we can



pay your cash to you and incur these costs. These costs are also incurred in connection with day to day trading within the Fund. As the Fund invests, at least initially, substantially all of its assets in the Underlying Fund, the Investment Manager estimates transaction costs to be nil and accordingly no buy/sell spread is charged to recover any such transaction costs.

The amount of transactions costs may vary from year to year as transaction costs are impacted by the Fund's volume of trading, brokerage arrangements and other factors. Transaction costs may be incurred if the Fund invests directly in assets other than the Underlying Fund.

Changes in fees and costs

All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations.

The trust deed (**constitution**) for the Fund sets the maximum amount that can be charged for all fees. There is no specific limit in the constitution on the level of expense recovery. A copy of the constitution is available free on request.

Osmosis currently charges fees at less than the maximum amounts allowed for in the Fund's constitution or waives those rights to fee payment and expense recovery. If Osmosis wished to raise management fees above the maximums, it would need to amend the constitution.

Does anyone else receive fees?

Osmosis can pay some of its fees to others if it chooses and, subject to relevant law, may charge lower fees to some investors. These payments do not impact returns you may receive from the Fund.

Are fees negotiable?

The Trustee and the Investment Manager reserve the right to negotiate fee arrangements with individual investors. Discounts, rebates or fees for special services may be applied to individual investors outside of the arrangements stated above based on the nature and amount of an investor's investment.

Bank and government charges

All government fees, duties and bank charges will apply to your applications and withdrawals as appropriate.

Goods & Services Tax

Quoted fees and other costs take into consideration the net effect of GST. That is, including any benefit of reduced input tax credits.



6. Investing in the Fund

The Fund is a wholesale fund so you need to be a wholesale client as defined by the Corporations Act to be eligible to invest. New Zealand investors also need to be wholesale investors within the meaning of FMCA Schedule 1.

To be a wholesale client the general rule is that you need to invest at least \$500,000. If Osmosis agrees to an amount of less than \$500,000, then ask your accountant to complete an Accountant's Certificate. An Accountant's Certificate must be less than 24 months old and simply states that the investing entity has a certain minimum income or assets, and in working this out, some aggregation is allowed. There are some other categories: if in doubt, seek advice.

Subject to this, the Fund is available to all types of investors, including individuals, superannuation funds and family trusts/companies, as well as professional investors and family offices.

Getting started

The minimum investment is generally \$100,000 or as agreed with Osmosis.

Simply complete the attached Application Form and the identification form which is right for you, and send them to the Administrator as follows:

Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust

Apex Unit Registry
GPO Box 4968
Sydney NSW 2000

Or via email to registry@apexgroup.com

Alternatively, you may complete the Online Application Form available at <https://osmosis-v1.apexgroupportal.com/apply>

How to pay

You need to pay for your investment by electronic funds transfer (EFT) from your financial institution account as follows:

Account Name: Apex Fund Services Pty Ltd ACF The Osmosis RE DM Core Equity (Ex-Fossil Fuels) Trust - Application Account
BSB: 082-401
Account no: 239575076

You will receive confirmation when your application is accepted.

All EFT payments must be accompanied by a notification email to registry@apexgroup.com in order to ensure that the investor account is properly credited.



Processing days

If applications are received and accepted by the Administrator before 12.00pm Sydney time on a Dealing Day, then they are generally processed using the unit price calculated two subsequent Dealing Days later. If applications are received and accepted by Apex after this time, or on a non-Dealing Day, it is treated as having been received before 12.00 pm Sydney time the next Dealing Day. Any interest on application monies received prior to processing days is credited to the Fund.

Osmosis may refuse investment applications and need not provide reasons.

Additional applications

The minimum amount for further investments into the Fund is generally \$50,000 unless otherwise agreed in advance with Osmosis.

Use the **Additional Investment Form** available from the Administrator. Please mail or email this form:

Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust

Apex Unit Registry

GPO Box 4968

Sydney NSW 2000

Or via email to registry@apexgroup.com

Payment of your additional investment can be by EFT from your financial institution account. All EFT payments must be accompanied by a notification email to registry@apexgroup.com in order to ensure that the investor account is properly credited.

You will receive confirmation when your additional application is accepted.

Application price

The Trustee determines the unit price at the end of each Dealing Day based on the information we have most recently available.

We calculate unit prices in two steps:

- we calculate the value of the investments of the portfolio and subtract the value of any liabilities – this gives us the net asset value
- we divide this by the number of units we have on issue

Cooling off

There are no cooling off rights as this is a wholesale fund. Lodged applications cannot generally be withdrawn.



7. Distributions of income

It is expected that no income tax will be payable by the Fund (see further discussion in section 10 below). Therefore, for each financial year ending on 30 June, the full amount of taxable income (or attributable income) available for distribution (or attribution) from the Fund will be distributed (or attributed) to the investors. This income will generally be distributed (or attributed) annually, with the payment expected to be made within six weeks after 30 June. Tax will be withheld by the Fund at prescribed rates where applicable.

Distributions are generally reinvested unless Osmosis agrees otherwise.

Immediately after a distribution is declared, the Unit price of the Fund will usually fall by the amount of the distribution. This is because the distribution reduces the Fund's assets.

Distributions are not pro-rated for investors who were not unitholders for the whole period, meaning that you may receive some of your investment back immediately as income if you invest just before a distribution. Conversely, if you withdraw from the Fund just before a distribution, you might in effect turn income into a capital gain.



osmosis
INVESTMENT MANAGEMENT

8. Accessing your monies

How to withdraw

To withdraw part or all of your investment in the Fund, complete the Redemption Request Form available from the Administrator.

The minimum withdrawal amount is \$50,000, and you need to keep a minimum of \$50,000 invested otherwise we may redeem your investment. We may waive these requirements generally, or on a case-by-case basis.

Send your **Redemption Request Form** by mail or email as follows:

Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust

Apex Unit Registry
GPO Box 4968
Sydney NSW 2000

Or via email to registry@apexgroup.com

Once lodged, withdrawal requests cannot generally be withdrawn.

Your withdrawal will be paid by transfer to your nominated account, normally within at least 10 Sydney business days of the request being processed. There can be delays in certain circumstances, as set out below.

Processing days

Withdrawals will be processed on a daily basis providing the withdrawal request is received. If withdrawal requests are received and accepted by the Administrator before 12.00pm Sydney time on a Dealing Day, then they are generally processed using the unit price calculated two subsequent Dealing Days later. If applications are received and accepted by Apex after this time, or on a non-Dealing Day, it is treated as having been received before 12.00 pm Sydney time the next Dealing Day.

Withdrawal price

We determine the unit price to apply to withdrawals at least each Dealing Day based on the information we have most recently available.

We calculate unit prices in two steps:

- we calculate the value of the investments of the portfolio and subtract the value of any liabilities – this gives us the net asset value
- we divide this by the number of units we have on issue

Deductions

The Trustee may deduct from any money payable to an investor (including on winding up) or otherwise recover from an investor:



- any moneys due to the Trustee by the investor, and
- any money the Trustee (as trustee or in any other capacity) owes someone else relating to the investor (for example, to the tax office).

Delaying access to your investment

The Trustee can delay Unit redemption for up to 180 days or such longer or shorter period as is appropriate in all the circumstances for example if:

- any relevant financial, stock, bond, note, derivative or foreign exchange market is closed;
- trading on any such market is restricted;
- an emergency (including an emergency caused by a mechanical or electronic malfunction) exists as a result of which it is not reasonably practicable for the Trustee to acquire or dispose of the assets or to determine fairly the unit price;
- any state of affairs exists as a result of which it is not reasonably practicable for the Trustee to acquire or dispose of the assets or to determine fairly the unit price;
- any moratorium declared by a government of any country in which a significant proportion of the Fund is invested exists;
- the Fund investments are suspended, delayed or there is a restriction on the withdrawal or issue of units, or the issuer of the investment is unable to provide a withdrawal price;
- the Trustee receives withdrawal requests representing more than 10% of the value of the investments of the Fund (then the Trustee can stagger withdrawal payments);
- such other circumstance as the Trustee determines to be appropriate having regard to the best interests of investors as a whole; or
- the Fund terminates or the Trustee is directed to terminate the Fund.

Unit prices are generally calculated at the time the delay ends.

The constitution for the Fund sets out the wide range of circumstances in which the Trustee can delay withdrawal of your money. A copy of the constitution is available free of charge on request.

Compulsory redemptions

The Trustee may redeem Units without an investor asking, including:

- where the Trustee suspects that law prohibits you from legally being an investor in the Fund;
- where you cease to hold the required minimum holding in the Fund; or
- such other circumstance as the Trustee determines to be appropriate in its absolute discretion.

The constitution sets out the circumstances where compulsory redemption may apply. A copy of the constitution is available free of charge on request.



9. Reporting

Regular reports

You will receive the following regular reports:

- transaction statements (each time you invest or your units are redeemed)
- distribution / income statements (each time the Fund makes a distribution)
- quarterly reports (with updates on the Fund's performance and investments) and
- tax return information (as soon as the Trustee can produce it after the end of the financial year).

[Osmosis usually communicates with you by email (but paper copies of documents sent to you by email are available on request).

For more information on Unit prices and Fund performance, contact Clearway Capital.

Privacy

Personal information (including sensitive information) provided by applicants on the Application Form or other relevant forms is collected for the primary purpose of issuing Units in the Fund and operating/administering the Fund (including to forward to you periodic information relating to your investment in the Fund).

From time to time, we may also provide to you information of a generic or marketing nature relating to the Fund. You may opt-out by contacting Clearway Capital.

Your personal information will not be made available to any third party, other than:

- as required by law
- to service providers for permitted related purposes (for example, auditors, consultants and advisers) who may be located overseas
- to the trustee or agent of the trustee of the underlying investment of the Fund (which may located overseas) to enable them to comply with relevant laws applicable of the underlying investment.

By executing the Application Form, you provide your consent to the Trustee to disclose your personal information to the above mentioned parties and to use your information for the purposes referred to above. If you wish to request access to your information or if you have any complaint in relation to the manner in which the Trustee has handled your information, please contact the Trustee.

The privacy policy of the Trustee is publicly available at www.perpetual.com.au or you can obtain a copy free of charge by contacting the Trustee.

AML

Applications to invest in the Fund are subject to the requirements of applicable anti-money laundering and counter terrorism financing laws and the Trustee's requirements.

Investors must provide verification of their identity. Please refer to the Application Form to



determine which documents you will need to provide.

Applications will not be accepted into the Fund until this has been completed. In some instances, such as the case of determining the beneficial owner of the investor, the Trustee may request additional information. This must also be provided to proceed with the application.

Application monies must be given by cheque or EFT. If applicants wish to transfer funds from a foreign bank, additional documentation may be requested and the application will not be processed until satisfactory documentation has been provided to the Trustee. The Trustee reserves the right to reject an application.

If you apply through a financial planner or other advisor, they may assist you to obtain the necessary documentation and provide it to us. If you apply directly and need assistance with the Application Form or understanding the documentation requirements, you may contact Clearway Capital.

Automatic Exchange of Financial Account Information

The Australian Government has enacted laws and entered into international agreements. These laws implement automatic exchange of information (**AEOI**) with:

- 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.
- other countries under the Common Reporting Standard (**CRS**). The CRS applies to all foreign tax residents.

The CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under it, banks and other financial institutions will collect and report to financial account information on non-residents to the local tax authority, and in the case of the Fund, that will be the ATO. The ATO will exchange this information with the participating foreign tax authorities of those non-residents. In parallel, the ATO will receive financial account information on Australian residents from other countries' tax authorities.

Each investor must certify their residence for tax purposes. You may be required to complete additional documentation. If you are a foreign tax resident, you will need to provide your taxpayer identification number or an equivalent. This is the number used to identify you to the tax authority in the foreign country. If you don't have one, you will be asked to provide a reason.

FATCA is a US regulatory requirement that aims to deter tax evasion by US taxpayers. The Australian Government has entered into an Inter-Governmental Agreement (**IGA**) with the US Government for the exchange of US tax payer information. Under the IGA, financial institutions (including managed investment schemes) must report US tax payer information via the ATO to the US IRS.

To meet these obligations, each investor must complete and sign the FATCA Self-certification Declaration form included in the Application Form.

The Trustee is unable to provide you with any tax or professional advice in respect of CRS, FATCA or the IGA and you are encouraged to seek the advice of a tax or professional advisor in relation to completing the form.

Information from you

You must provide the Trustee in a timely way all information that it reasonably requests or which



you suspect that it should know to perform its functions (for example, regarding your identity or the source or use of invested moneys – if you do not, the Trustee may refuse to issue Units to you and/or redeem your investment).



10. Tax

This section is not tax advice. You should seek professional tax advice in relation to your own position. Further, this section provides a snapshot of the general Australian taxation implications of your investment in the Fund, and it is outside the scope of this section to comment on the taxation implications for the ICAV or the Underlying Fund.

Generally

You may need to pay tax in relation to your investment in the Fund, generally income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability depends on your circumstances and it is recommended that you seek professional advice before you invest or deal with your investment.

Osmosis will send you all the information you need each year to complete your tax return.

Tax on distributions

You may have a tax liability when you receive distributions from the Fund. The amount depends on what makes up the distributions, and on your personal financial circumstances. Distributions could comprise:

- income
- net capital gains
- tax credits and
- tax deferred income or return of capital.

Managed investment trust (MIT)

The income tax treatment of the Fund will depend on whether the Fund is eligible, and Perpetual, as trustee of the Fund, elects to apply the Attribution Managed Investment Trust (AMIT) provisions. The AMIT provisions are an elective income tax regime for qualifying MITs that provide for flow-through taxation to investors.

The AMIT election is irrevocable and so the AMIT provisions will apply in each future income year in which the Fund satisfies the requirements to be a MIT. Perpetual intends to make the election for the Fund to enter into the AMIT provisions, if it qualifies to be a MIT.

Where the Fund does not qualify or qualifies but does not elect into the AMIT regime, the ordinary trust taxation rules will apply.

Multi-class AMITs

Where the Fund elects into the AMIT regime, a choice is available to elect to treat separate classes of units as separate AMITs. Perpetual, as trustee of the Fund, intends to make the AMIT multi-class election (if available) to segregate the returns of each investment option. Where the classes are treated as separate AMITs, the gains or losses derived in respect of one class of units will not affect the returns of other classes.



Public trading trust (PTT)

Where the Fund qualifies as a PTT, it will be taxed as a corporate entity at the corporate income tax rate. Broadly, a unit trust qualifies as a PTT for an income year, if for that income year:

- it is a public unit trust, which is determined based on the number of unitholders, the manner in which the units are offered or if the units are listed for quotation on a stock exchange; and
- it is a trading trust, which is determined based on whether (a) the unit trust itself carries on a trading business or (b) it controls, or was able to control, the affairs or operations of another person in respect of that person carrying on a trading business. Generally, a trading business is an activity which does not consist wholly of “eligible investment business”.

The Fund does not intend to derive income other than from an “eligible investment business”. Further, Perpetual, as trustee of the Fund, will seek to ensure that the Fund does not control entities that carry on trading business including having any negative control rights which could affect the trading activities of the entities it invests in. As such, it is unlikely that the Fund would qualify as a PTT for income tax purposes.

Tax when you withdraw

You may have a tax liability when you exit from the Fund.

Australian residents are generally subject to capital gains tax on gains when they withdraw any money for themselves or to invest in another fund or transfer Units to someone.

Depending on the kind of taxpayer you are, and how long you have held your Units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

ABN and TFN

If you are making this investment in the course of a business or enterprise carried on by you, you may quote an Australian Business Number (**ABN**) instead of a Tax File Number (**TFN**). It is not mandatory to quote your TFN, however, failure to quote an ABN or TFN or claim an exemption may cause Perpetual, as trustee, to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to you.

You may be able to claim a credit in your tax return for any TFN/ABN tax withheld.

By quoting your TFN or ABN, you authorise Perpetual to apply it in respect of all your investments with the Fund.

US tax

Certain US legislation will target US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (**IRS**). Perpetual is required to comply with certain requirements including the provision of information to the IRS. The information will only relate to investors who are or are assumed to be US residents for tax purposes. See the Application Form.

Those identified may be subject to a 30% withholding tax on part or all of the payments they receive from US sources.



Offshore investors

If you are not an Australian resident for income tax purposes, please state in the Application Form your country of residence for income tax purposes. If you are not an Australian resident, tax will be withheld from distributions of Australian sourced income at the prescribed rates. You may be subject to the tax laws in the country in which you are tax resident and should consult a taxation adviser before investing.

Goods and Services Tax (GST)

The Fund will be registered for GST. The acquisition and disposal of units in the Fund by investors should not be subject to GST. Similarly, the distributions paid by the Fund should not be subject to GST. However, some of the fees and expenses incurred by the Fund are likely to attract GST (at the rate of 10%). The recovery of GST will be dependent on the precise nature of the expenses incurred and the nexus with domestic or international investments. The GST and expected recovery of ITCs or RITCs relating to fees and expenses is incorporated in the management cost for the Fund.

Duty

The issue or redemption of units should not attract any duty. Duty may be payable on the transfer of units. Investors should confirm the duty consequences of transferring units with their taxation adviser.

New Zealand resident taxation

If you are a New Zealand resident wishing to invest in Australia, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.



11. Additional information

Wholesale

The Fund is an Australian resident open-ended unit trust and is not required to be, nor is it, registered under the Corporations Act. An investment in the Fund is only available to wholesale clients as defined by the Corporations Act.

The constitution

The Trustee's legal relationship with you is governed by the Fund's constitution, together with this Information Memorandum and certain financial services laws. Some provisions are discussed elsewhere in this Information Memorandum, and others include:

- the nature of Units of the Fund (Units can be divided into Classes and may have different rights associated with them)
- the Trustee's powers and how and when they can be exercised
- when and how the Trustee can retire or be removed
- when the Fund terminates (if it does the relevant investors share the net proceeds on a pro-rata basis, adjusted for any liabilities)
- changing the constitution (how and when this can occur) and
- calling investor meetings.

The investments of the Fund can be combined with other assets.

The Trustee will send you a copy of the constitution free of charge if you ask.

The trustee's duties

Perpetual is the trustee of the Fund.

All obligations which might otherwise be implied or imposed on the Trustee by law or equity are expressly excluded to the extent permitted by law.

If the Trustee acts in good faith and without gross negligence it will not be liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

The Trustee's liability to any person other than an investor in respect of the Fund is limited to its actual indemnification from the assets for that liability.

The Trustee has entered into the constitution in its capacity as trustee of the Fund and not in its personal capacity.

The Trustee is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in relation to the Fund including any liability incurred because of a delegate or agent.

The Trustee may take and may act (or not act as relevant) on any advice, information and documents which it has no reason to doubt as to authenticity, accuracy or genuineness.

The Trustee may:

- deal with itself (as trustee of the Fund or in any other capacity), any associate or any investor



- be interested in any contract or transaction with itself (as trustee of the Fund or in any other capacity), any associate or investor; and
 - may act in the same or a similar capacity in relation to any other trust or managed investment scheme,
- and retain any benefit or benefits from so.

Each investor indemnifies the Trustee for all liability incurred by it arising directly or indirectly from the investor's breach of its obligations to it. This indemnity is in addition to any indemnity under law and continues to apply after the investor ceases to be an investor.

Transferring your Units

You can transfer your Units and the Trustee can refuse to register transfers and need not give reasons. Contact Clearway Capital for the required form.

Terminating the Fund

The Trustee can decide to terminate the Fund at any time.

After termination, the Trustee will wind up the Fund: generally the Trustee will realise all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as appropriate as soon as it considers practicable.

The Trustee can distribute assets rather than cash to some investors and not to others. The Trustee would first deduct any moneys an investor owes. It can take some time to finalise this process.

Limits on your responsibility

The constitution limits your liability to any unpaid part of the issue price of your Units and you need not indemnify the Trustee if there are not enough assets to meet the claim of any creditor of the Trustee's.

In the absence of separate agreement with an investor, the Trustee's recourse and any creditor is limited to the Fund assets.

However, the Trustee cannot give you an absolute assurance about these things – the issue has not been finally determined by Australian courts.

Other matters

The Information Memorandum (as updated, supplemented or replaced from time to time) is the one which governs your investment, together with the constitution.

If Osmosis issues a new Information Memorandum, a copy will be made available to you. You should read it carefully. Copies are always available by contacting Clearway Capital.

The offer made in this Information Memorandum is available only to persons who may legally receive this Information Memorandum (electronically or otherwise). If you received this Information Memorandum electronically, Osmosis will provide a paper copy free of charge upon request during the life of this Information Memorandum by contacting Clearway Capital.



The Fund is not currently registered with ASIC, but may be at some future point in time. By investing in the Fund, you consent to the Fund being registered at some future point should the Trustee consider it appropriate. You also consent to registration taking place without the Trustee holding a meeting of investors to amend the constitution to make it suitable to be registered and to approve the application for registration.

Unless otherwise stated, all figures are in Australian dollars and are inclusive of the net impact of GST (that is, taking into account any reduced input tax credits).

ASIC takes no responsibility for the contents of this Information Memorandum.



12. How to Invest

Complete the Application Form

To invest in the Fund you will need to complete and sign the accompanying Application Form and provide all supporting identification documentation and applicable certificates.

How do you qualify as a wholesale client?

If you are applying for A\$500,000 or more you'll be automatically deemed wholesale client and no additional documentation is required.

If you are investing less than A\$500,000, the easiest way to establish that you are a wholesale client is to arrange for your accountant to provide an Accountant's Certificate that is no more than 24 months old certifying that:

- the investor themselves has the **Required Net Assets** or the **Required Gross Income** OR
- together with any trusts or companies the investor controls, the investor has the Required Net Assets or the Required Gross Income OR
- the investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.

Required Net Assets means net assets of at least A\$2,500,000

Required Gross Income means for each of the last two financial years, at least A\$250,000 a year.

There are other ways that you can qualify as a wholesale client, including:

- based on your investing experience (the 'professional investor' exemption) – the Administrator has an Adviser's Certificate that you can arrange to be completed to attest to this – contact the Administrator for a copy
- you hold an Australian financial services licence or
- provide a statutory declaration that you meet any of the other categories of wholesale client. These include that you:
 - are a person regulated by the Australian Prudential Regulation Authority (other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme)
 - are a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth) with net assets of at least A\$10 million
 - control at least A\$10 million for the purposes of investment in securities (including any amount held by an associate or under a trust that the investing entity manages)
 - are a manufacturer and employ 100 or more people
 - are not a manufacturer but employ 20 or more people or
 - are a listed entity, or a related body corporate of a listed entity.



Please contact Clearway Capital if you need assistance in providing the appropriate documentation to certify that you are a wholesale client.

Information for New Zealand investors

The offer of units is not being, and will not be, made in New Zealand to persons other than “wholesale investors” within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (“FMCA Schedule 1”), which covers “investment businesses”, persons meeting the “investment activity criteria”, “large” persons and “governmental agencies” as defined in each case in FMCA Schedule 1.

Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

If you are a New Zealand investor, and apply for units, you warrant that you meet the above eligibility criteria and agree that you will not sell the units within 12 months after they are issued, in circumstances where disclosure would be required under Part 3 of the Financial Markets Conduct Act 2013 or in circumstances which may result in their issuer or any of its directors or related bodies corporate incurring any liability whatsoever.

Confirmation of your application

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully and contact Osmosis if you have any questions.

Additional investment

The minimum amount for further investments is generally \$100,000.

To invest more, use the **Additional Investment Form** available by contacting Clearway Capital at osmosisim@clearwaycapital.com.au.

Originals and emails, are accepted for additional investments.

You need to pay for your additional investment by EFT. All EFT payments must be accompanied by a notification email to registry@apexgroup.com in order to ensure that the investor account is properly credited.

You will receive confirmation when your additional application is accepted.

If you have any questions

If you have any questions about any matter relating to the Fund, please telephone Clearway Capital. Refer to the **Contacts** page at the end of this Information Memorandum.



osmosis
INVESTMENT MANAGEMENT

13. Contacts

Investment manager

Osmosis Investment Management (Australia) Pty Ltd

ABN 80 670 854 798, CAR No. 001305635

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www.osmosisim.com

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Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000

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Distributor

Clearway Capital Solutions Pty. Ltd.

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Administrator and custodian

Apex Fund Services Pty Ltd

ABN 81 118 902 891 AFSL No. 303253

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Unit Registry, GPO Box 4968, Sydney NSW 2000

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