

Complex Financial Instrument Information Sheet

COMPLEX FUNDS₂

This Information Sheet is intended to provide you with an overview of the risks associated with Complex Funds. These investments may not be right for all investors and before investing you should ensure that you are familiar with their features and risks. If you invest, your capital will be at risk and you may get back nothing at all. If you are unsure, we strongly suggest that before investing you seek advice from a qualified adviser.

This information sheet should be read in conjunction with the 'Complex Financial Instruments Assessment'.

What are Complex Funds?

The term funds refers to a product, where groups of investors pool their money into a single fund rather than investing directly in the underlying shares or other assets. They generally receive an entitlement (usually called a unit or share) to the value of the assets in the fund which is usually proportionate to the value of their investment.

The term Complex Funds is a general term applied by us to certain funds which are either not generally available to retail customers, are infrequently traded, and/or are unregulated.

What are the risks and features associated with Complex Funds that mean they are 'complex'?

The risks of and features associated with Complex Funds can vary widely between different Complex Funds.

This Information Sheet cannot disclose all the risks and other significant aspects of Complex Funds. However, some of the main risk factors and features which may apply are set out in the list below.

- 1) Regulatory protections that may be afforded to retail investors in non-complex funds will not apply to investors in Complex Funds.
- 2) Complex Funds may allow the managers of the fund to invest in a wider range of assets than those funds designed specifically for retail clients in the hope of providing enhanced returns. Investment strategies that can provide enhanced returns may do so at additional risk.
- 3) Depending on the nature of the underlying investment portfolio (property, unlisted securities, investments in emerging markets, etc) it may not be possible to obtain an accurate valuation of the investments in Complex Funds.
- 4) Funds aimed at retail customers must meet standards designed to ensure there is sufficient information available to retail customers so that they are able to make reasonable judgements about the investment. For Complex Funds, due to a lower required standard of transparency, it may not be possible to gain access to sufficient information on which to base investment decisions.
- 5) For certain Complex Funds it may be more difficult to obtain information about any possible conflicts of interest that exist between the various parties and entities involved in managing, advising or otherwise providing services to the fund.
- 6) For Complex Funds it may be more difficult to determine how fees are calculated or applied. For example, administrative fees, ongoing management fees and fees where those managing the assets of the Complex Fund receive remuneration based on the performance.
- 7) Some Complex Funds may place restrictions on minimum investments per subscriber (investor), which could be quite substantial. The fund manager or issuer may impose restrictions on redemptions (sales) and there may be a lead time in which the value of the underlying investments is subject to market risk. If there is a delay in the redemption there could be a long lead time until the next dealing date.
- 8) It may only be possible to liquidate, cancel or otherwise redeem your investment with the fund manager or issuer. Depending on the operation of the fund, settlement may not be immediate and you may not receive any proceeds due to you until sometime after the redemption date.
- 9) Some funds may even operate lock-ins (no withdrawals expected) which can be in multiples of years. You may not be able to redeem or otherwise realise the instrument even if you want to.

For the specific risks associated with a particular Complex Fund, you should consider information about the product itself. Further information will be available in the documentation relating to the fund issued by the fund group responsible for promoting the particular fund.

If you have any queries regarding this Information Sheet or general questions about Complex Funds, please contact us.