

CC RWC Global Emerging Markets Fund APIR: CHN8850AU

PRODUCT DISCLOSURE STATEMENT

13 February 2019

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This Product Disclosure Statement ('PDS') provides a summary of significant information about the CC RWC Global Emerging Markets Fund (ARSN 630 341 249) ('the Fund') together with references to additional important information about the Fund which is available at www.channelcapital.com.au or by calling us on 1800 940 599. References to additional information are highlighted with a symbol ⓘ. It is important that you read this PDS and the additional information (which forms part of this PDS) before making a decision to invest in the Fund.

The information in the PDS is general information only and does not take into consideration your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

An investment in the Fund is an investment in a registered managed investment scheme. An investment in the Fund is not a bank deposit, bank security or other bank liability. There is no guarantee of the repayment of capital from the Fund or the investment performance of the Fund.

The offer made in this PDS is available only to persons receiving this PDS (electronically or otherwise) within Australia. Applications from outside Australia will not be accepted.

Updated Information

Information in this PDS may change. Any updates to information that are not materially adverse to investors will be provided at www.channelcapital.com.au. Please check the website or call us or your financial adviser for any updates prior to investing. A paper copy of any updates will be provided free of charge upon request.

1. About Channel

Channel Investment Management Limited ACN 163 234 240 AFSL439007 ('Channel', 'RE', 'we', 'our' or 'us') is a trustee and manager of a number of managed investment schemes. Channel Capital Pty Ltd ('Channel Capital') provides investment management infrastructure and services across several asset classes and is the holding company of Channel.

We are licensed under the Corporations Act 2001 (Cth) ('Corporations Act') to act as responsible entity of the Fund. We are responsible for managing the Fund in accordance with the Corporations Act and the constitution of the Fund. You can obtain a copy of the constitution by contacting us and requesting a copy be made available to you.

Channel and its holding company, Channel Capital, have forged strategic partnerships with international and Australian fund managers across a range of different asset classes including Australian and global securities, alternative investments and fixed interest securities.

The Fund provides investment exposure to global Emerging Markets and Frontier Markets with the objective of providing long-term capital appreciation. Channel has selected Class F Shares in the RWC Global Emerging Markets Fund ('RWC GEM Fund' or 'Underlying Fund') to pursue the Fund's investment objective. The Underlying Fund is a sub-fund of the RWC Funds. The investment manager of the RWC Funds is RWC Asset Management LLP and it has delegated the management of the Underlying Fund to RWC Asset Advisors (US) LLC ('RWC Fund Investment Manager' or 'RWC').

RWC Fund Investment Manager

RWC's Emerging Markets equity team is comprised of 18 experienced investment professionals, some of whom have worked together for over two decades. The investment team invests across Emerging Markets and, to a limited extent, Frontier Markets, with a focus on companies exhibiting strong growth characteristics that are not yet reflected in the share price.

The team pursues an idea-focused, rather than index-driven, approach to investing which allows them to actively allocate capital across regions and countries irrespective of index weights. To guide their bottom-up fundamental research efforts, the team has built a globally integrated research process in which top-down macro and thematic research dynamically informs the bottom-up perspective. On-the-ground research is a key aspect of the research process, informing and enhancing macro, thematic and company due diligence.

2. How the CC RWC Global Emerging Markets Fund works

The Fund is an Australian registered managed investment scheme in which amounts invested by individual investors are pooled to buy assets on behalf of all investors in the Fund. The Fund invests in the Underlying Fund which is managed by RWC.

When you invest in the Fund you are issued with Units. Your Units represent a beneficial interest in the Fund's assets as a whole. Your investment is not a direct investment in specific Fund assets. The value of your investment changes whenever Unit prices are recalculated. The price of Units will vary as the market value of the Fund's assets rise or fall. The most recent Unit prices are available at www.channelcapital.com.au.

This PDS applies to Class A Units. We may in the future offer different classes of units in the Fund via a separate PDS or Information Memorandum which may have different rights and restrictions. We treat all investors within a class of units equally and investors in different classes fairly.

Minimum initial investment	
Indirect investors via IDPS	No minimum investment. Refer to your IDPS operator's requirements.
Direct investors	\$100,000. However, the RE has discretion to accept lower amounts.
Minimum additional investment	
You can increase your investment in the Fund by applying to acquire additional Units, subject to the minimum additional investment amounts set out below.	
Indirect investors via IDPS	No minimum investment. Refer to your IDPS operator's requirements.
Direct investors	\$50,000. However, the RE has discretion to accept lower amounts.
Minimum investment balance	
Indirect investors via IDPS	No minimum investment. Refer to your IDPS operator's requirements.
Direct investors	\$100,000. However, the RE has discretion to permit a lower minimum investment balance.
Unit prices	Unit prices are calculated daily on each Business Day
Income distribution	Annually for the period ending 30 June each year, where income is available. Where distributions are paid, you can elect to either have your distributions automatically reinvested or paid directly into a nominated Australian financial institution account.
Withdrawal	<p>You can decrease your investment in the Fund by withdrawing some or all of your Units.</p> <p>Withdrawal requests are processed on the Business Day after they are received and the withdrawal amount payable is calculated using the Unit price as at close of business on that Business Day. Written withdrawal requests lodged by mail or by facsimile with the RE prior to 12 noon (Sydney time) on any Business Day are taken to be received on that Business Day. If a withdrawal request is received after 12 noon (Sydney time) or on a non-Business Day, it will be deemed to be received on the next Business Day.</p> <p>The RE endeavours to ensure that all withdrawal proceeds are paid within 10 Business Days from the date of receipt of the withdrawal request. Investors should note however, that the Fund's constitution allows up to 21 days from acceptance of a withdrawal request. In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw their investment within the usual period upon request.</p>
Cooling off period	A cooling off period applies to your investment. See section 8 'How to apply' for details.



You should read the important information about 'How the CC RWC Global Emerging Markets Fund works' before making a decision. Go to 'Additional Information to the PDS' at www.channelcapital.com.au. The material relating to 'How the CC RWC Global Emerging Markets Fund works' may change between the time you read this PDS and the day you sign the Application Form.

3. Benefits of investing in the CC RWC Global Emerging Markets Fund

A summary of the features and benefits of investing in the Fund is as follows:

Access	The Fund provides you with the opportunity to access the RWC GEM Fund through an Australian domiciled fund, not otherwise available to Australian retail investors.
Management expertise and research capabilities	The investment team has significant experience in identifying opportunities across their investment universe. Over the past two decades, senior members of the team have invested in more than 120 Emerging Markets and Frontier Markets and have been pioneer investors in smaller markets well before their inclusion in indices. Given the team's long experience, they draw parallels between past and present market and industry developments and seek to effectively position their portfolios for possible medium to long-term outcomes. Portfolio manager John Malloy has over 24 years of experience in investment management, nearly all of which has been in Emerging Markets. John and co-portfolio manager Thomas Allraum are supported by a team of 16 dedicated Emerging Markets and Frontier Markets analysts who work closely together to uncover growth opportunities across more than 60 markets globally.
Access to investment opportunities and overseas markets	While an individual may be able to directly invest in overseas stocks, the Underlying Fund can draw on the knowledge and global information networks of an experienced investment team. RWC GEM Fund has the infrastructure to access and trade in Emerging Markets and Frontier Markets in an efficient and cost effective manner. An advantage of investing in Emerging Markets and Frontier Markets is the potential long-term capital appreciation of companies situated in countries with growing economies.
Diversification	With the pooling of investor money, a managed fund can spread its assets across a wider range of investments. This diversification can help to reduce your overall investment risk. An investment in markets such as Emerging Markets and Frontier Markets may provide a useful source of portfolio diversification.

4. Risks

Investors need to understand the investment risks involved before investing in the Fund.

All investments carry risk. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments and the level of returns will vary. Future returns may differ from past returns and past performance is not a reliable guide to future performance.

Neither the RE, RWC, their directors, associates nor any of their related bodies corporate guarantee the success of the Fund, the repayment of capital or any particular rate of capital or income return. Investments in the Fund are not guaranteed or underwritten by the RE or RWC or any other person or party and you may lose some or all of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below. You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.



You should read the important information about 'Risks' before making a decision. Go to 'Additional Information to the PDS' at www.channelcapital.com.au. The material relating to 'Risks' may change between the time you read this PDS and the day you sign the Application Form.

Emerging Markets and Frontier Markets risk

Investment in Emerging Markets and Frontier Markets involves risk factors and special considerations, which may not be typically associated with investing in more developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, restrictions on foreign investment imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of the Underlying Fund's investments. Unexpected volatility or illiquidity in the Underlying Fund's investment could impair the Fund's profitability or result in losses. Political or economic change

and instability may be more likely to occur in Emerging Markets and Frontier Markets and have a greater effect on the economies and markets of emerging and frontier countries. By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be underdeveloped enhancing the risks of error, fraud or default.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in Emerging Markets and Frontier Markets may not provide the same degree of investor information or protection as would generally apply to major markets. The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position.

Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Inflation risk

There is a risk that the rate of inflation may exceed the net after-tax return from your investment. Thus, the purchasing power of an investment may not keep pace with inflation.

Model risk

The Investment Manager uses a financial model as part of the investment or risk management processes; however, there is no guarantee that the model will perform as expected.

Derivatives risk

The Fund does not use derivatives. However, derivatives may be utilised in the Underlying Fund for investment purposes and for efficient portfolio management, for example in order to:

- (i) protect against possible changes in the market value of the portfolio resulting from fluctuations in the securities markets;
- (ii) protect unrealised gains in the value of the portfolio;
- (iii) facilitate the sale of any investment;
- (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio;
- (v) hedge the interest rate or currency exchange rate on any of the Underlying Fund's liabilities or assets;
- (vi) protect against any increase in the price of any securities of which the Underlying Fund anticipates purchasing at a later date; or

- (vii) for any other reason that the RWC Fund Investment Manager deems appropriate.

Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

The success of the Underlying Fund's risk management strategies will depend in part upon the RWC Fund Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Underlying Fund's hedging strategy will also be subject to the RWC Fund Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. Whilst the Underlying Fund may enter into hedging transactions to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in such hedging transactions.

Liquidity risk

Investments made by the Underlying Fund may be difficult or impossible to sell, either due to factors specific to that security, or to prevailing market conditions. Liquidity risk may mean that an asset is unable to be sold or the Underlying Fund's exposure is unable to be rebalanced within a timely period and at a fair price, potentially resulting in delays in redemption processing, or even the suspension of redemptions. If the Underlying Fund is required to process a large redemption or application, the indirect exposure of the Fund to particular investments, sectors or asset classes may be altered significantly due to the security sales or purchases required by the Underlying Fund.

Counterparty risk

This is the risk that any of the counterparties which the Fund deals with may default on their obligations to pay monies or provide services to the Fund or any of the counterparties which the Underlying Fund deals with may default on their obligations to pay monies or deliver securities to the Underlying Fund. This may result in a loss.

Withdrawal risk

The risk that the usual timeframe for withdrawal requests is not met, or the RE suspends withdrawals from the Fund because it cannot accurately determine the Unit price or realise its Class F Shares in the Underlying Fund or other assets for cash.

The withdrawal procedures currently offered by the Underlying Fund enable the Fund to maintain the withdrawal periods offered to investors. However, the Underlying Fund may suspend redemptions of Class F Shares where it suspends the determination of the net asset value of those shares, which it may do so in various specified circumstances including where any stock exchange in which a substantial portion of the Underlying Fund's assets are investments is closed otherwise than for ordinary holidays.

Operational risk

Operational risk is the risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events. RWC, the RE, the Fund or the Underlying Fund may experience losses, adverse regulatory consequences or reputational damage due to a variety of operational risks, including inadequate or failed internal or external processes, people or systems, internal or external fraud, cyber security attacks or cyber incidents including deliberate or unintentional events, errors by counterparties under outsourcing arrangements and inadequate business continuity planning, and key person risk. The extent of exposure to losses from the operational risks of parties not under, as applicable, RWC's, the RE's, or the Underlying Fund's control may be determined, in part, by applicable law and/or contractual provisions that allocate or limit liability. The RE and Investment Manager manage operational risk through the oversight arrangements, systems, procedures and policies which each has established as part of its governance, risk management and compliance framework.

Regulatory risk

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting managed investment schemes.

RWC Fund Investment Manager and RE risk

The success of the Fund depends upon RWC's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Underlying Fund and also on our ability to monitor the Fund's investment in the Underlying Fund. Matters such as the loss of key staff, the replacement of Channel as RE or RWC as investment manager of the Underlying Fund, or the failure of either Channel or RWC to perform as expected may negatively impact returns, risks and/or liquidity.

Structural risk

Structural risks include the potential termination of the Fund, the RWC Fund Investment Manager or the Underlying Fund could change, or the risk of error in administration of the Fund. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of applications and withdrawals by other investors. We aim to manage this risk by monitoring the Fund and acting in your best interests. The Underlying Fund's portfolio of assets is segregated from the other sub-funds within RWC Funds and the assets of the Underlying Fund will not be used to discharge, either directly or indirectly, the liabilities of or claims against any other sub-funds within the investment company. In addition, there is the risk that there are changes to the fees and expenses of the Underlying Fund.

There are other classes of shares on issue in the Underlying Fund and there is generally no segregation of assets and liabilities between classes in the Underlying Fund. Therefore, the assets attributable to one class of shares may be applied to discharge a liability attributable to another class of shares where there are insufficient assets attributable to that other class of share to meet such liability.

Foreign Currency Risk

The Fund invests in Class F Shares which are an AUD denominated class of shares of the Underlying Fund, however the Underlying Fund records and manages its assets based on their value in USD. The RWC Fund Investment Manager determines the value of Class F Shares in AUD using the AUD/USD exchange rate on each business day and does not hedge the foreign exchange risk which arises from the Class F Shares being AUD denominated and the base currency of the Underlying Fund's investments being USD. Therefore, a rise in the AUD relative to the USD will negatively impact the value of the Fund's investment in the Underlying Fund.

Also, the Underlying Fund may invest in assets denominated in any currency. RWC may hedge the Underlying Fund's exposure to non-USD denominated investments back to USD to moderate currency exchange risks. However, any currency hedging employed by the RWC Fund Investment Manager may not completely remove the risk of currency exposure causing an adverse impact on the Underlying Fund's investment returns. Also, if RWC does not hedge the Underlying Fund's exposure to the impact of currency rate fluctuations on its non-USD denominated investments a rise in value of USD relative to those other currencies will adversely affect the investment performance of the Underlying Fund.

Access Agreement risk

We have entered into an agreement with RWC Partners Limited pursuant to which we have the exclusive right to establish and promote the Fund in Australia. The agreement also sets out the fee arrangements between the parties, including that we will pay RWC's management fee from the fees we recover from the Fund.

If the access agreement is terminated, other fund managers may establish funds to offer investment in the Underlying Fund or the Fund's investment in the Underlying Fund may be compulsorily redeemed. Any of these circumstance may adversely affect the continued operation of the Fund.

5. How we invest your money

Before deciding whether to apply for Units, you should consider the likely investment return, the risks involved in investing in Units and your investment time frame.

Objective	To provide long term capital appreciation by investing, via the Underlying Fund, primarily in global Emerging Markets and Frontier Markets.
Strategy	The RWC Fund Investment Manager will seek to identify growing companies from Emerging Markets and Frontier Markets globally with strong sustainable cash flows at attractive valuations using an investment process which incorporates detailed top-down, bottom-up and thematic research.
Asset classes and allocation	RWC GEM Fund (Underlying Fund): 95% - 100% Cash: 0% - 5% The Fund may temporarily move outside the ranges due to certain factors such as the receipt of significant cash flows. If this occurs, action will be taken to bring the Fund back within these ranges as soon as practicable.
Suitable for	Investors looking for concentrated exposure to stocks in Emerging Markets and, to a limited extent, Frontier Market economies including those of companies listed or headquartered in other locations but with substantial connections to Emerging Markets or Frontier Markets (such as significant operations in, or revenue derived from Emerging or Frontier market countries).
Risk level	High. There is a risk that investors may lose some or all of their investment. Higher risk investments tend to fluctuate in the short term but may produce higher returns than lower risk investments over the long term.
Minimum suggested timeframe (not a recommendation) for holding the investment	5 years
Switching	Currently, the Fund does not offer a choice of investment options thus the ability to switch between different products is not available.
Investment Style and Approach	The Fund will invest in the Underlying Fund. The Underlying Fund is a 'long-only' investment fund and may invest in the following assets: <ul style="list-style-type: none"> Equity and equity linked securities including shares, depository receipts, warrants and other participation rights, convertible securities, index and participation notes and equity linked notes; Fixed and floating rate debt securities as well as cash and cash equivalents (on an ancillary basis); UCITS (and other UCIs) (up to 10% of net assets); PRC A Shares[^] through the Shanghai-Hong Kong Stock Connect (up to 15% of assets) and participation notes (up to 30% of assets); On an ancillary basis, cash settled financial derivative instruments, such as, but not limited to, contracts for differences, swaps, options and index futures. Financial derivative instruments may also be used for hedging and investment purposes; and Assets denominated in any currency. Non-USD exposure may be hedged back to the USD to moderate currency exchange risks.
Base Currency	AUD
Currency hedging	The Fund will invest in AUD-denominated Class F Shares in the Underlying Fund. The base currency of the Underlying Fund is USD and RWC does not hedge the foreign exchange risk which arises due to translation from USD to AUD.
Labour standards, environmental social and ethical considerations	The RE does not explicitly take into account these considerations in investing the Fund's assets and does not have a specific methodology for the extent to which these factors will be considered. RWC believes that issues relating to labour standards, environmental, social and ethical considerations have the potential to affect the business outcomes of the Underlying Fund's investment companies and are thus an important determinant of likely long-term stock performance. RWC considers sustainability-related factors including labour standards, environmental, social and ethical considerations, as part of the broader investment due diligence it undertakes to determine the investment grade status of a company.
Up to date information	Subject to the Corporations Act or the Fund's constitution we have the discretion to make changes to the Fund at any time. We will inform investors of any material changes to the Fund's details. For up to date information about the Fund please refer to the website at www.channelcapital.com.au .

[^]PRC A Shares are the People's Republic of China A Class Shares which are securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. They are traded in Renminbi (Chinese Yuan) and can only be traded by residents of the People's Republic of China or under the Qualified Foreign Institutional Investor (QFII), the Renminbi Qualified Foreign Institutional Investor (RQFII) rules, or via the Stock Connect programs.

6. Fees and costs

The following consumer advisory warning is required under the Corporations Act. The purpose of this warning is to emphasise to you the importance of considering 'value for money' when selecting a managed investment. The consumer advisory warning also refers to managed investment calculators, located on the Australian Securities and Investments Commission's website, which will allow you to make individual comparisons.

Consumer Advisory Warning

Did you know?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

The table below shows the fees and other costs that you may be charged in relation to an investment in Units. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole. Taxes are set out in another part of this document. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

You can also use this information to compare the fees and costs between different simple managed investment schemes.

Type of fee or cost	Amount ¹	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee	Nil	Not applicable
Contribution fee	Nil	Not applicable
Withdrawal fee	Nil	Not applicable
Exit fee	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	A Management Fee of 1.23% p.a.	The Management Fee is expressed as a percentage of the net asset value of the Fund relating to the Class A Units, reflected in the daily Unit price and payable monthly in arrears from the Fund.

¹All figures disclosed include the net effect of GST and RITC.

Example of annual fees and costs

The following table provides an example of how the fees and costs of this class of Unit for this managed investment product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. Please note the amounts below are estimates only and may not reflect the actual cost of investing in Units.

Example	Balance of \$100,000 with a total contribution of \$5,000 during the year	
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
Plus management costs	1.23% p.a.	And, for every \$100,000 you have in the Fund you will be charged \$1,230 each year.
EQUALS cost of Fund	If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$1,230. ^{^*}	
	What it costs you will also depend on the investment option you choose and the fees you negotiate.	

[^] Additional fees may apply.

^{*} The \$5,000 contribution occurs at the end of the year and the value of the investment is otherwise a constant, therefore the management costs are calculated using the \$100,000 balance only.

We reserve the right to change fees and other costs without your consent, but subject to any limitations under the Corporations Act and other applicable laws. We will give you 30 days notice prior to increasing fees. Different fees may apply to units in different classes. Fees may be individually negotiated with wholesale and institutional clients.

WARNING: Additional fees may be payable to a financial adviser if consulted. You should refer to the statement of advice which sets out details of the applicable fees.

Management costs

A Management Fee of 1.23% p.a. (including the net effect of GST and RITC) of the net asset value of the Class A Units is payable to the RE for managing your investment. This fee accrues daily and is payable monthly in arrears. From this Management Fee, we will pay RWC for the management of the Underlying Fund and the costs and expenses of the Fund (including reimbursing the Fund for an amount equal to the administrative and operational fees charged on the Fund's investment in the Underlying Fund).



You should read the important information about 'Fees and Costs' before making a decision.

Go to 'Additional Information to the PDS' at www.channelcapital.com.au. The material relating to 'Fees and Costs' may change between the time when you read this PDS and the day when you sign the Application Form.

7 How managed investment schemes are taxed

Warning: Investing in a managed investment scheme is likely to have tax consequences. It is strongly recommended that investors obtain advice from their professional advisers, particular to their own circumstances prior to investing or otherwise dealing with their Units.

The taxation implications of investing in the Fund can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units on capital account or revenue account. The following tax comments have been prepared on the assumption that:

- the investor holds the units on capital account as a long-term investment;
- the Fund qualifies as an attribution managed investment trust ('AMIT') within the meaning of section 995-1 of the Income Tax Assessment Act 1997 and the RE elects to apply the AMIT regime to the Fund; and
- the Fund has made an irrevocable "capital election" to apply the Capital Gains Tax ("CGT") provisions pursuant to section 275-115 of the Income Tax Assessment Act 1997.

This summary may not be relevant for investors that are subject to special tax rules such as banks, superannuation funds, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

Will I be liable to pay tax on distributions made by the Fund?

Managed investment schemes are generally not subject to tax on the net income and net capital gains generated by the Fund. Rather, you will generally be assessed on your proportionate share of the net income (including net capital gains) generated by the Fund.

This is the case even where distributions are reinvested into the Fund or where no cash distributions are made by the Fund to investors. We will send you an annual tax distribution statement each year to assist in the preparation of your income tax return.

Will I be liable to pay tax when I withdraw money from the Fund?

If you are an Australian resident investor, when you withdraw or transfer Units, you will generally be required to include the resulting capital gain or loss in your net capital gain calculation for the relevant income year. Tax should be payable on any net capital gain that you make for that income year.

What is the composition of distributions likely to be?

Taxable distributions from the Fund should primarily be in the form of capital gains or foreign sourced income. Income tax offset entitlements may be attached to such distributions made by the Fund, including tax offsets for foreign tax levied on foreign dividend or other income received by the Fund. Non-assessable (i.e. tax deferred or tax free) distributions may also be made by the Fund. Any tax losses or capital losses made by the Fund cannot be distributed to investors.

Do I have to provide a Tax File Number ('TFN') or an Australian Business Number ('ABN')?

No. However, if you do not provide your TFN or ABN or claim an exemption, the Fund is required to deduct tax at the top marginal tax rate plus Medicare levy on the taxable component of any distributions.

What is FATCA and CRS and how does it apply to me?

Pursuant to the United States of America, Foreign Account Tax Compliance Act (FATCA), institutions defined as 'foreign financial institutions' (which includes the Fund) are required to comply with certain requirements including the provision of information to the United States of America Internal Revenue Service (IRS). The information only relates to investors who we identify as US residents or those whose residency we cannot identify due to insufficient information being provided ('non-compliant account holders'). The Australian Government has an intergovernmental agreement (IGA) with the US Government to minimise the impact of FATCA on Australian stakeholders. Under the terms of the IGA, we will provide the ATO with any required FATCA information which would otherwise be submitted to the IRS, and there will be no obligations for us to withhold tax for FATCA purposes from any payments.

Similarly, the OECD has developed a Common Reporting Standard (CRS) regime for the reporting and exchange of information in respect of foreign tax residents, which has been adopted in Australia. Under the CRS regime, we report certain financial information to the ATO in respect of investors identified as foreign residents and the ATO exchanges that information with overseas revenue authorities, where that country has become a party to the CRS regime.

8 How to apply

Direct investors

A copy of the Application Form can be obtained by contacting Channel on 1800 940 599 or by email to clientservices@channelcapital.com.au.

To invest, simply complete the Application Form (including the provision of other documentation required for identification purposes) and return it with your initial investment to:

Channel Investment Management Limited

Client Services, GPO Box 206 Brisbane QLD 4001

Application monies can be paid via cheque or electronic funds transfer. Please contact Channel Client Services for bank details.

Indirect investors

If you are investing via an IDPS, please do not complete our Application Form. Instead, complete the forms the IDPS operator requires and if you

have further enquiries, that operator can help. We authorise the use of this PDS as disclosure to investors who invest via an IDPS.

Cooling off period

If you are a Retail Client (as defined in the Corporations Act) and are investing directly in the Fund, you have a 14-day cooling off period in relation to your investment.

The cooling off period applies if the investment into the Fund is either new or additional and is not a reinvestment of distributions, and where you have not exercised any rights conferred by the investment during the cooling off period. You may exercise your cooling off rights within a period of 14 days commencing on the earlier of the time your application is confirmed, or the end of the fifth Business Day after your Units are issued.

In the event you exercise your cooling off rights, the amount you receive will reflect any movement (either up or down) in the Unit price of the Fund which means there may be capital gains tax implications for you. We may also be obliged to deduct any tax or duty incurred by us and reasonable administrative and transaction costs. As a result, the amount returned to you may be less than the amount initially invested.

Cooling off rights do not apply where the Fund is not liquid (as defined in the Corporations Act).

Complaints resolution

We aim to resolve any concerns or complaints quickly and fairly. If you

have a concern or complaint about any aspect of your investment in the Fund, please contact us at:

Channel Investment Management Limited
GPO Box 206
Brisbane QLD 4001
t 1800 940 599
e clientservices@channelcapital.com.au

We are a member of and participate in the Australian Financial Complaints Authority (AFCA), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved you are entitled to make a complaint to AFCA at the following address:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
t 1800 931 678
e info@afca.org.au

Investors investing through an IDPS can also access our complaints resolution process (including AFCA) if they have concerns or complaints about the Fund. Indirect investors who have concerns or complaints about their IDPS should contact their IDPS operator.

9 Other information

Keeping you informed

As an investor in the Fund you will receive:

- confirmation of your investments, withdrawals and switches;
- an annual tax statement;
- a periodic statement detailing the transactions during the period and the balance of your investment;
- a distribution statement, following each distribution; and
- the annual accounts for the Fund.

Availability of documents

If the Fund becomes a disclosing entity for Corporations Act purposes and subject to regular reporting and disclosure obligations, copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

A copy of the annual financial report for the Fund most recently lodged with ASIC can be obtained free of charge from us upon request. If the Fund becomes a disclosing entity, we will satisfy our continuous disclosure obligations for the Fund by publishing material information on our website at www.channelcapital.com.au. Accordingly, given the disclosure of material information will be made on our website, we will not be required to lodge continuous disclosure notices for the Fund with ASIC.

Consent

RWC has consented to the inclusion of the statements about RWC, the RWC Funds and the Underlying Fund provided in sections 1, 3 and 5 in the form and context in which those statements are included.

Terms used in this PDS

Business Day means a day other than a Saturday, Sunday or a public holiday in Sydney, New South Wales, the 24th of December and all bank holidays in London, United Kingdom or Luxembourg City, Luxembourg.

Channel Capital means Channel Capital Pty Ltd ACN 162 591 568.

Class A Unit/s means a unit/s in the Fund.

Class F Shares means the class of shares the Fund invests in via the Underlying Fund.

Emerging Markets means countries which include, but are not limited to, those considered at the time of investing to be (1) countries that have an "emerging stock market" in a "developing economy" as defined by the International Finance Corporation; (2) countries that have "low or middle economies" according to the World Bank;

(3) countries listed in a World Bank publication as "developing"; (4) countries considered as "industrially developing countries" by the International Monetary Fund; and (5) countries considered to be emerging markets countries by the RWC Fund Investment Manager.

Frontier Markets means countries included in the MSCI Frontier Markets Index and any other country that the RWC Fund Investment Manager may determine as a frontier market and excluding any country that the RWC Fund Investment Manager may determine no longer qualifies as a frontier market.

Fund means the CC RWC Global Emerging Markets Fund ARSN 630 341 249 APIR CHN8850AU.

IDPS means Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody service (collectively known as master trusts or wrap accounts).

Management Fee means the fee payable to the RE for managing the Fund's investments as described in section 6.

RE or Channel means the responsible entity of the Fund, Channel Investment Management Limited ACN 163 234 240 AFSL 439007.

RWC or RWC Fund Investment Manager means RWC Asset Advisors (US) LLC.

RWC Funds means an open-ended collective investment company established under the laws of the Grand-Duchy of Luxembourg, for an unlimited period with an 'umbrella' structure comprising different sub-funds and classes.

UCI means Undertakings for the Collective Investment.

UCITS means Undertakings for the Collective Investment of Transferable Securities being a mutual fund based in the European Union.

Underlying Fund or RWC GEM Fund means a sub-fund of the RWC Funds known as the RWC Global Emerging Markets Fund.

Unit/s means a Class A unit/s in the Fund.