



CC Marsico Global Fund: APIR CHN0002AU  
Additional Information to the Product Disclosure Statement

November 2018

## Contact

m

Channel Client Services  
GPO Box 206  
Brisbane QLD 4001

t 1800 940 599

f 07 3259 7695

e [clientservices@channelcapital.com.au](mailto:clientservices@channelcapital.com.au)

The information in this document forms part of the Product Disclosure Statement ('PDS') dated November 2018 issued by Channel Investment Management Limited ACN 163 234 240 AFSL 439007 about the CC Marsico Global Fund (ARSN 610 434 896) ('the Fund').

You should read this information together with the PDS before making a decision to invest in the Fund.

The information 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.

### Updated Information

Information in this Additional Information may change. Any updates to information that are not materially adverse to investors will be provided at [www.channelcapital.com.au](http://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.

## Section 1 How the CC Marsico Global Fund works

### Additional investments

Additional investments can be made at any time by sending a completed additional unit application form, together with your cheque or electronic funds transfer (EFT) confirmation. It is not necessary for you to complete another Application Form. You can obtain an additional unit application form by contacting Channel Client Services. Additional investments are made on the basis of the PDS current at the time of investment. The latest PDS is available at [www.channelcapital.com.au](http://www.channelcapital.com.au) or by calling 1800 940 599.

### How to withdraw

You can withdraw from your investment by sending us a completed withdrawal request form. You can obtain a withdrawal request form by contacting Channel Client Services on 1800 940 599. Withdrawal requests must be signed by the appropriate authorised signatories.

Cheques and bank accounts must be in the name/s of the investor/s as specified in the Application Form or as otherwise notified to the Responsible Entity ('RE').

Proceeds will be paid in Australian Dollars.

Partial withdrawals are subject to you maintaining a minimum balance of \$500,000.

### Restrictions on withdrawals

The RE endeavours to ensure that proceeds are paid within 7 days from the date of receipt of the withdrawal request, although the constitution permits up to 21 days.

Alternate withdrawal procedures will apply if the Fund is determined not to be liquid. The Fund is considered non-liquid if less than 80% of its assets are cash, marketable securities or assets which can be realised for satisfying withdrawal requests within the period specified in the constitution.

If the Fund becomes non-liquid the withdrawal procedures set out in the Corporations Act will apply.

### Processing application and withdrawal requests

If we receive an application or withdrawal request by 1:00 pm (Sydney time) on a Business Day you will receive the unit price for that Business Day. An application or withdrawal request received after 1:00 pm (Sydney time) on a Business Day or non-Business Day will be processed using the unit price for the following Business Day.

In circumstances where we receive an incomplete application or withdrawal request you will receive the unit price applicable on the Business Day we receive the completed documentation and, for applications, cleared application funds.

### Unit pricing

A unit price for each class of unit is usually calculated each Business Day by dividing the net asset value of the Fund's assets apportioned to each applicable unit class by the number of units on issue in that class. The Fund's assets are valued in accordance with the Fund's constitution, based on market values of securities and other assets such as cash. Unit prices will vary as the market value of the Fund's assets rise or fall.

An allowance for transaction costs incurred in buying and selling Fund assets may be added to, or subtracted from, the Fund's unit prices to determine an application price and a withdrawal price for each class of units.

The RE has a policy for unit pricing discretions we use in relation to the Fund for the purposes of Class Order 13/657. The unit pricing policy and discretions exercised by the RE are available from us free of charge upon request.

### Reinvestment of distributions

You can choose to reinvest some or all of your distributions. Distribution reinvestment is generally effective the first Business Day following the end of the distribution period. No buy/sell transaction cost will apply to distribution reinvestments. For tax purposes certain components of a distribution are included as assessable income regardless of whether the distribution is reinvested.

### Transfers

You can request a transfer of some or all of your Units to a third party by completing and signing a transfer form and providing us with any other documentation required by us or any law. You can obtain a transfer form by contacting Client Services on 1800 940 599. The RE reserves the right to refuse to register a transfer of Units.

### Custodian

A custodian has been appointed to hold the assets of the Fund on our behalf. Any fees we pay to the custodian are paid out of the Base Fee and are not an additional charge to you.

## Section 2 Fees and costs

This document shows fees and other costs that you may be charged in relation to Units in the Fund. 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.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount <sup>1</sup>	How and When Paid
Fees when your money moves in or out of the Fund <sup>2</sup>		
<b>Establishment Fee</b> A fee to open your investment.	Nil	Not applicable
<b>Contribution Fee</b> The fee on each amount contributed to your investment.	Nil	Not applicable
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment.	Nil	Not applicable
<b>Exit Fee</b> The fee to close your investment.	Nil	Not applicable
Management Costs		
The fees and costs for managing your investment.	A Base Fee of up to 1.25% p.a. PLUS A Performance Fee of 10% p.a. of outperformance of the Benchmark (net of the Base Fee).	The Base Fee is expressed as a percentage of the net asset value of the Class B Units, reflected in the daily Unit price and payable monthly in arrears from the Fund. <sup>3</sup>  The Performance Fee is calculated and accrues each Business Day and is payable as at 30 June. <sup>4</sup>  Extraordinary expenses are paid from the Fund assets as and when incurred. <sup>5</sup>
Service Fees		
<b>Switching Fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> All figures disclosed include the net effect of GST and RITC.

<sup>2</sup> Transaction Costs (buy/sell transaction cost) apply. Refer to 'Transaction Costs' in 'Additional Explanation of Fees and Costs'.

<sup>3</sup> Refer to 'Base Fee' in 'Additional Explanation of Fees and Costs'.

<sup>4</sup> Refer to 'Performance Fees' in 'Additional Explanation of Fees and Costs'.

<sup>5</sup> Refer to 'Extraordinary Expenses' in 'Additional Explanation of Fees and Costs'.

### Additional Explanation of Fees and Costs

#### Base Fee

The current Base Fee is up to 1.25% per annum (including GST). The Fund's constitution permits the RE to charge a Base Fee of up to 3.3% per annum (including GST).

The Base Fee is calculated and accrues daily and is paid monthly in arrears. Expenses incurred in managing and administering the Fund are paid from Channel's own resources and do not form part of the Base Fee. These expenses include registry, administration and custodian, accounting, audit and legal costs. If extraordinary or unusual expenses are incurred we may choose to recover these costs from the Fund and this will be reflected in the Unit price.

The RE reserves 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 provide you with 30 days notice prior to increasing fees.

#### Extraordinary Expenses

Generally, expenses incurred in managing the Fund will be paid from Channel's own resources and will not form part of the Base Fee. However, if extraordinary or unusual expenses are incurred we may choose to recover these costs from the Fund. Examples of this type of expense include the costs involved in:

- convening a meeting of investors;
- termination of the Fund;
- amending the Constitution;
- defending or bringing of litigation proceedings;
- or
- replacement of the responsible entity.

#### Performance Fees

Depending on how well the Fund performs a Performance Fee may be payable to Channel equal to 10% per annum (including the net effect of GST) of the Outperformance of the Benchmark.

The Performance Fee is:

- payable if the Fund's investment performance exceeds the Benchmark;
- net of the Base Fee (1.25% p.a. at the date of this PDS);
- only charged on the proportion of performance above the Benchmark;
- only payable when any applicable performance deficit has been recouped; and
- if payable, accrues daily and is reflected in the Unit price.

The Benchmark is the MSCI ACWI Net in AUD.

The Performance Fee is calculated each Business Day based on daily performance and value of the Fund on that day and, where positive, accrued daily and reflected in the Unit price. Where the daily calculated Performance Fee is negative it is applied to reduce any accrued Performance Fee from the previous day, or, where there is no accrued Performance Fee from the previous day, carried forward as a 'performance deficit'. Any performance deficit will need to be offset by future positive Performance Fees before any Performance Fee becomes payable to us.

If a Performance Fee is payable, it is payable annually as at 30 June. Performance Fees are payable in

relation to the performance of the Fund as a whole during each year and do not necessarily reflect the performance of any individual investor's investment.

The constitution for the Fund allows for a Performance Fee of up to 38.5% (including GST) of the Outperformance of the Benchmark.

#### Transaction Costs

The buy/sell transaction cost is an additional cost to you when you buy or sell Units in the Fund. This cost includes brokerage and clearing fees relating to the purchase or sale of Fund assets associated with an application or withdrawal.

The transaction cost payable is to meet the expenses associated with investors entering and exiting the Fund and to ensure investors in the Fund are not disadvantaged.

The buy spread and the sell spread for applications and withdrawals are 0.10% of the value of the application or withdrawal amount. These spreads may change from time to time depending on the nature of the costs and volume of assets being bought or sold.

For example, if \$500,000 was invested in, or withdrawn from, the Fund, the cost of your buy/sell spread would be \$500 in and \$500 out.

#### Additional Transactional and Operational Costs

Additional transactional and operational costs associated with dealing with the Fund's investments may be recovered from the Fund. Transactional and operational costs, other than the buy/sell spread, may include brokerage, clearing costs, investment settlement fees and applicable stamp duty when underlying assets are bought or sold.

The total transactional and operational costs incurred by the Fund for the 12 months ended 30 June 2018 were calculated to be \$1,252.91 based on a \$500,000 holding (approximately 0.25% of total average net assets). The total transactional and operational costs, net of buy/sell spread recovery, were calculated to be \$1,216.56 based on a \$500,000 holding (approximately 0.24% of total average net assets).

### Differential Fees

There may be differing fee arrangements for investors in different classes. Rebates of Management Costs may be negotiated with certain sophisticated or professional (i.e. wholesale) investors.

These arrangements reflect terms privately agreed with each sophisticated or professional investor. The RE is under no obligation to make arrangements on these terms available to all other investors (including other sophisticated or professional investors).

### Payment to Platforms

Payments may be made to a Platform where they include one or more of our funds on their menu. Any Platform payments are deducted from the Management Cost and are not a separate charge to you.

### Constitution fee provisions

Please note the constitution fee provisions set out below represent the maximum amounts payable under the constitution and are not the amounts charged. The Fund constitution provides that the following fees may be payable to the RE:

a) removal fee - under the Fund constitution, the RE is entitled to a fee of up to 5.5% (including GST) of the gross asset value of the Fund if the RE is removed as responsible entity of the Fund (other than as a result of a determination by ASIC or an Australian Court, or on acknowledgement by the RE, of gross negligence in the management of the Fund or a material fiduciary breach). For example, if the Fund's gross asset value was \$5 million, the RE would be entitled to receive a removal fee of up to \$275,000 if removed as responsible entity of the Fund. The management costs amount in the table on page 3 does include any removal fee.

### Goods and Services Tax (GST)

The fees specified in the PDS include the net effect of Goods and Services Tax (GST) and the benefits of reduced input tax credits (RITC) where applicable, unless otherwise specified.

Investors should not be directly subject to GST when applying for or withdrawing Units in the Fund. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim RITCs for GST incurred on certain expenses.