

Insight High Income Fund

Information Memorandum

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Responsible Entity
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The offer under this Information Memorandum ("IM") is an offer to subscribe for units in the Insight High Income Fund (referred to throughout this IM as the "Fund") and was issued on 25 August 2022.

This IM has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Insight High Income Fund (referred throughout this IM as the "Responsible Entity", "Equity Trustees", "us" or "we"). The issue of this IM is authorised solely by Equity Trustees. No other person (whether or not related to Equity Trustees) is responsible for any information contained in this IM. The investment manager of the Fund is Insight Investment Management (Global) Limited and is referred to throughout this IM as the "Investment Manager" or "Insight Investment Management (Global) Limited". The administrator of the Fund is State Street Australia Limited and is referred to throughout this IM as "State Street Australia Limited" or the "Administrator".

This IM has not been, will not be and is not required to be lodged with the Australian Securities and Investments Commission ("ASIC"). It does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act.

This IM is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, the Investment Manager or any associate, employee, agent or officer of the Responsible Entity, the Investment Manager or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this IM. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek professional advice before making an investment decision. A glossary of important terms used in this IM can be found in the "Glossary" section.

This IM does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). The

units in the Fund have not been, and will not be, registered under the US Securities Act or the laws of any State, and the Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended. The Fund may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

The Responsible Entity, the Investment Manager, the Administrator and their respective employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or investment performance of the Fund. Past performance is no indication of future performance. Units are offered and issued by the Responsible Entity subject to the Constitution of the Fund, and on the terms and conditions described in this IM. You should read this IM because you will become bound by it if you become a Unitholder of the Fund.

If you received this IM electronically, a paper copy will be provided free upon request. Please call Equity Trustees on +61 3 8623 5000 for a copy.

This IM should be read together with the Constitution of the Fund. A copy of the Constitution is available from Equity Trustees by calling +61 3 8623 5000 or from the Investment Manager by calling +612 9260 6655.

Certain information in this IM relating to the Fund is subject to change. Where considered appropriate by Equity Trustees, we will notify you in writing of any changes. Copies of any updated information may be obtained:

- by calling Equity Trustees on +61 3 8623 5000
- by calling the Investment Manager on +612 9260 6655

A paper copy of any updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the IM are inclusive of GST after allowing for an estimate for Reduced Input Tax Credits ("RITCs"). All amounts are in Australian dollars unless otherwise specified and all references to legislation are to Australian law unless otherwise specified.

1. Fund at a glance

Feature	Summary
Fund	Insight High Income Fund
Responsible Entity	Equity Trustees Limited
Investment Manager	Insight Investment Management (Global) Limited
Custodian and Administrator	State Street Australia Limited
Scheme Auditors	KPMG
Investment objective	To aim to generate a return in excess of the Bloomberg Barclays US HY Fallen Angel 3% Cap Total Return Index Value hedged to the AUD with similar levels of volatility over the medium to long-term before fees and expenses.
Suggested investment horizon	3 to 10 years
Structure	Open ended managed investment scheme registered with ASIC
Portfolio	The majority of the Fund's assets will typically be invested in US Dollar denominated corporate bonds
Investment Universe	Bonds, cash and cash like instruments, futures, swaps, forwards, currency instruments, exchange traded funds
Minimum initial investment	\$100,000
Minimum additional investment	\$10,000
Minimum withdrawal amount	\$10,000
Minimum balance	\$25,000
Risks	An investment in the Fund is subject to risks, which are summarized in the "Principal risks" section of this IM.
Applications and Withdrawals	Applications may only be made by a wholesale client as defined under the Corporations Act. For more information on applications and withdrawals please refer to the "Investing in the Fund" section of this IM.
Fees and costs	Management fees: 0.525% p.a. (including GST and net of RITC) of the NAV of the Fund. Please refer to section headed "Fees and other costs" for more information about management fees and other costs that can be recovered from the Fund.
Distribution frequency	Monthly

2. Who is managing the Fund

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL No. 240975 ("Equity Trustees"), a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this IM. Equity Trustees was established in 1888, by an Act of the Victorian Parliament, to provide trustee and executor services.

The company has evolved into a sophisticated financial services provider offering a broad range of products and services to a diverse client base. In addition to traditional trustee and estate management duties, the Equity Trustees range of services includes portfolio management, superannuation, philanthropy and responsible entity services for external fund managers.

Equity Trustees' responsibilities and obligations as the responsible entity of the Fund are governed by the Fund's Constitution as well as the Corporations Act and general trust law.

The Investment Manager

Insight Investment Management (Global) Limited ("Investment Manager") is a private limited company incorporated under the laws of England and Wales. It manages and advises on the investment of managed funds and is a subsidiary of Insight Investment Management Limited which is part of The Bank of New York Mellon Corporation. Headquartered in London, Insight has operations in the UK, US, Australia, Germany and Japan.

Insight is responsible for A\$1433bn in assets under management globally (as of 31 March 2022)¹, of which A\$ 43,898m is managed for Australian investors, across bonds, multi-asset and currency risk management. The Bank of New York Mellon Corporation is a

global financial services company in its third century of business, has approximately US\$2.3 trillion (as at March 2022) in assets under management and is a publicly listed company on the New York Stock Exchange (BK).

The Investment Manager is authorised and regulated by the Financial Conduct Authority in the UK under UK laws which are different from Australian laws. It is, by virtue of Class Order 03/1099, exempt from the requirement of the Corporations Act to hold an Australian Financial Services Licence.

The Investment Manager may, from time to time, delegate the discretionary investment management and/or back office support functions in respect of the assets of the Fund.

The Custodian and Administrator

State Street Australia Limited
ABN 21 002 965 200
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000
Ph. +612 9323 6000
Fax +612 9323 6411

The Responsible Entity has appointed State Street Australia Limited to act as administrator for the Fund. In such capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the Net Asset Value of the Fund.

The Responsible Entity has entered into an Administration Agreement with the Administrator, which governs the services that will be provided by the Administrator to the Fund.

The Investment Manager may at any time, in consultation with the Responsible Entity, select any other administrator to serve as administrator to the Fund.

¹ As at 31 March 2022. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Figures shown in AUD. FX rates as per WM Reuters 4pm spot rates. Reflects the AUM of Insight, the corporate brand for Insight North America and certain companies operated by Insight Investment Management Limited (IIML), including Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIIL), and Insight Investment Management (Europe) Limited (IIMEL), each of which provides asset management services.

3. About the Fund Investments

Structure

The Fund is an Australian unit trust and is structured as a registered, unlisted managed investment scheme under the Corporations Act. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive units in the Fund when they invest. In general, each unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give investors an interest in any particular asset of the Fund.

If you invest in the Fund through an IDPS you will not become an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the IM applies to direct investors.

Objective of the Fund

The Fund aims to generate a return in excess of the Bloomberg Barclays US HY Fallen Angel 3% Cap Total Return Index Value hedged to the AUD (the "Benchmark") with similar levels of volatility over the medium to long-term before fees and expenses, whilst taking environmental, social and governance ("ESG") factors into account.

There can be no assurance that the Fund will achieve its investment objective. An investor may lose all of the amount invested.

Benchmark

The Benchmark measures the performance of the U.S. Fallen Angel debt market, with issuers currently capped at 3% each. The Benchmark is a market-weighted index which includes US Dollar denominated fixed income debt securities issued by corporates that were previously rated as investment grade and were included in the Bloomberg Barclays US Corporate Total Return Value Unhedged Index, with inclusion criteria in accordance with guidelines set by the index provider.

Portfolio

The Fund may invest in fixed rate corporate debt and debt-related securities, which may be issued as 144A or Reg S securities, including bonds and debentures ("Debt and Debt-Related Securities").

The Fund will invest the majority of its Net Asset Value in "Fallen Angels". Fallen Angels are defined as sub-investment grade Debt and Debt-Related Securities that were previously rated as investment grade by any rating agency such as Standard & Poor's, Moody's Investor Services, Fitch Ratings or equivalent recognised rating agency (each, a "Recognised Rating Agency") at time of purchase. Securities are classified as sub-investment grade if the median rating of these agencies is Ba1/BB+/BB+ or below. When a rating from only two agencies is available, the lower rating is used; when only one agency rates a security, that rating is used.

The Fund may also invest in financial derivative instruments ("FDI"), and up to 10% of its Net Asset Value in aggregate in open-ended collective investment schemes ("CIS") including money market funds and open-ended exchange traded funds ("ETFs"). The Fund may also invest in government debt and debt-related securities.

Portfolio Construction

The Investment Manager will construct the portfolio based on the Benchmark. In the portfolio construction process, a selection of Debt and Debt-Related Securities will be chosen from the investment universe by the Investment Manager. The Investment Manager first seeks to overweight bonds which have been downgraded in the last 12 months, focusing first on those Debt and Debt-Related Securities most newly downgraded. The Investment Manager may then consider Debt and Debt-Related Securities downgraded within 24 months. The Investment Manager also looks to reduce exposure to newly Fallen Angels with rapidly deteriorating fundamentals, for example a bond that has gone from BBB to CCC or lower within 2 months. The Investment Manager will also generally reduce exposure to Debt and Debt-Related Securities that have been downgraded 24 months ago as these Debt and Debt-Related Securities are deemed by the Investment Manager to present a less compelling risk/reward opportunity relative to the remaining investment universe.

The Investment Manager will examine the yield/spread, risk, sector and credit quality characteristics and choose Debt and Debt-Related Securities such that the aggregate metrics, risk, sector and quality of the Fund's holdings are in line with the Fund's objective, subject to security selection. The application of the Investment Manager's proprietary credit model informs its security selection process. This credit model scores and ranks the investable universe by gathering information from financial markets and corporate balance sheets to help identify the appropriate value that Debt and Debt-Related Securities are expected to trade at. In this way the model helps the Investment Manager to identify Debt and Debt-Related Securities which may underperform when compared to similar Debt and Debt-Related Securities. The Investment Manager will underweight these Debt and Debt-Related Securities relative to the Benchmark.

The Investment Manager will seek to hedge duration to the level of the Benchmark, so as to manage interest rate risk, and will cap issuer weight at 7%, and limit exposure to CCC rated securities to 10%. The Fund will seek to hedge currency risk back to Australian Dollar through the use of derivatives. Notwithstanding the foregoing, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund.

The portfolio of assets will vary over time as the Investment Manager needs to adjust the Fund's holdings to meet the investment objective for the Fund.

Implementation

A systematic and disciplined approach is used to construct a portfolio based on the Benchmark which provides "efficient beta". 'Beta' refers to gaining market exposure while 'efficient' refers to achieving the 'beta' through the Investment Manager's considered and cost-effective investment decisions and strategies.

The Investment Manager will seek to lower implementation costs through multiple strategies. The team's credit portfolio trading approach may reduce costs by reducing the number of transactions when purchasing securities. In addition, relaxing rigid index rebalancing rules may lead to further cost savings. For example, the Investment Manager may hold Debt and Debt-Related Securities no longer included in the Benchmark where selling these would incur unnecessary trading costs.

Where the Fund invests in Debt and Debt-Related Securities it may only invest up to 5% of its Net Asset Value in aggregate in Debt and Debt Related Securities not included in the Benchmark at the point of purchase. Furthermore, where the Fund invests in Debt and Debt-Related Securities not included in the Benchmark such Debt and Debt-Related Securities must be i) new issues from Benchmark constituents or ii) rated BB- or higher.

The Fund may also invest in Debt and Debt-Related Securities not included in the Benchmark where the relevant security meets the requirements of, and is expected to be included in the Benchmark in the future. Such holdings will not be subject to the 5% limit above.

The Fund may continue to hold securities which were included in the Benchmark at the time of purchase even if they are subsequently removed from the Benchmark whether due to losing their rating or being upgraded to investment grade.

Debt and Debt-Related Securities which have been downgraded to unrated or upgraded to investment grade are not expected to exceed 10% of the Fund's Net Asset Value.

Why invest in the Fund?

Benefits of investing in the Fund include:

- Potential to deliver a consistent monthly income in excess of 3% over the Australian Cash Rate (as defined in the glossary) or similar recognised rate with capital appreciation over the medium to long term. Investors should note that neither income or capital appreciation is guaranteed and may not be achieved.
- It is a diversified and liquid bond portfolio.
- The Investment Manager takes a systematic and active approach to security selection which aims to take advantage of structural inefficiencies in the bond market to capture the potential upside arising from forced selling when bonds are downgraded to a high yield investment rating.
- It is managed by a stable and focused investment team of portfolio managers deploying a transparent and robust investment process.

Investment Parameters of the Fund

The majority of the Fund's holdings will be constituents of the Benchmark and the Fund will be similar in duration to the Benchmark. The Fund will also be similar with respect to its sector exposures and credit quality profile, subject to investment constraints. The Fund will not seek to reflect the Benchmark's maturity profile.

Environmental, social and governance considerations

The Investment Manager considers environmental, social and governance considerations when making investment decisions with respect to the Fund's investments in Debt and Debt-Related Securities in the following ways:

1) By not investing in a company or issuer which has (at the time of investment and in the opinion of the Investment Manager) material involvement in:

- Thermal coal mining
- Tar sands
- Coal power generation
- Tobacco production

2) The Investment Manager shall also exclude direct investment in issuers of Debt and Debt-Related Securities which, in the opinion of the Investment Manager, are deemed to be involved in:

- Controversial weapons production; or
- severe environmental, social or governance controversies including significant violations of UN Global Compact Principles (in each case, as assessed by the Investment Manager).

The Investment Manager incorporates the above factors into its systematic security selection and portfolio construction process when selecting Debt and Debt-Related Securities. The results of the screening and portfolio construction process are monitored and reviewed on an ongoing basis, and the Investment Manager regularly reviews the impact of each ESG factor on the investable universe.

Changing the investment strategy

The investment strategy may be changed. If a material change is to be made to the objective of the Fund or the investment parameters of the Fund (as described above), investors in the Fund will be notified in accordance with the Corporations Act.

Fund performance

For the latest information on the performance of the Fund please refer to the monthly fact sheet at www.eqt.com.au/insto. A free of charge paper copy of the information will also be available on request.

4. Principal risks

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. You should consider the significant risks below when deciding whether to invest in the Fund. You may want to consider these risks in light of your risk profile. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

You may lose money by investing in the Fund and your investment in the Fund may not meet your objectives.

The Responsible Entity and/or Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary, and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

Risk of not achieving objective

It should be noted that the Fund's investment objective is not guaranteed but rather depends on the Investment Manager's skill in selecting appropriate investments, as well as other factors outside of the Investment Manager's control.

Fund risk

The Fund could terminate, the fees and expenses could change, the Investment Manager or Responsible Entity could be replaced, and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly in the underlying assets because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

General risks

The market price of investments may go up or down, sometimes rapidly or unpredictably. Assets may decline in value due to factors affecting markets generally, or particular industries represented in the markets. The value of an investment may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, supply and demand for particular securities or instruments, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general market downturn, multiple asset classes may decline in value simultaneously.

Further, changes in tax, legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may influence the value of the investments of the Fund.

Interest rate and inflation risk

Changes in interest rates can directly and indirectly impact (negatively or positively) on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and sometimes this may affect the valuation of

stocks and other assets. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. The value of the Fund may be affected by substantial adverse movements in interest rates and inflation.

Liquidity risk

There may be times when securities may not be readily sold (for example an exchange-imposed limit on price fluctuations on a particular day in both falling and rising market conditions) and this may impact the investment and markets to which the Fund has exposure.

If there is an interruption to regular trading in a market generally, or for a particular investment to which the Fund has exposure, there may be delays in processing withdrawal requests. Neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the Fund's investments or of investments in the Fund.

Currency risk

Assets of the Fund may be denominated in a currency other than Australian Dollar (AUD) (the "Base Currency") and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk.

The Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

The Fund may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of the Fund's securities or in foreign exchange rates or prevent loss if the prices of these securities should decline. Performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held. As a result, the Fund may suffer losses even if there is no loss of value of the underlying securities positions being held by the Fund.

The Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts, and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of the Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Derivative risk

The Fund may make extensive use of both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. Derivatives are highly specialised instruments that require investment techniques and risk analysis different from those associated with equities and debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. As such there can be no guarantee or assurance that the use of derivatives will meet or assist in meeting the investment objectives of the Fund.

Derivatives can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

In relation to over-the-counter derivative contracts, the Fund will additionally be exposed to the risk that the counterparties to such contracts may, in an insolvency or similar event, be unable to meet their contractual obligations under the contracts. Although the operation of collateral arrangements will help mitigate this risk, if a counterparty was unable to meet its contractual obligations under a derivative contract, the Fund could still incur a loss, and this would have an adverse effect on the value of the Fund.

Exchange Traded Funds risk

The Fund may invest in "Exchange Traded Funds". Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the NAV of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio. Exchange Traded Funds may not be backed by underlying physical positions and may be subject to counterparty risk.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

ESG relative performance risk

Where a Fund takes environmental, social or governance considerations into account when making investment decisions this may result in the Fund underperforming or performing differently relative to other comparable funds that do not promote such characteristics or pursue a sustainable investment objective.

High Yield/Sub-Investment Grade Securities Risks

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. During an economic downturn or a sustained period of rising interest rates, highly leveraged issuers of high yield securities may experience financial stress and may not have sufficient revenues to meet their interest payment obligations. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time. Accordingly, such securities are generally subject to lower liquidity, higher volatility and greater risks of loss of principal and interest than high-rated debt securities.

Credit Risk

There can be no assurance that issuers of the securities or other instruments in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in FDI and may bear the risk of counterparty default.

5. Investing in the Fund

Authorised Investments

The Fund can only invest in assets permitted by the Constitution and the Investment Management Agreement between the Responsible Entity and the Investment Manager.

Valuations

The assets of the Fund will be valued daily in accordance with generally accepted valuation principles and the Constitution.

Applications

You can acquire units by completing the Application Form that accompanies this Information Memorandum together with written notice of the deposit details into the Fund's application account. Refer to Section 7.3 of the Fund Application Form for the account details and instructions on how to instruct your banking institution to facilitate payment to the Fund bank account. Funds need to be deposited into the Fund's application account at the same time you lodge the Application Form with Equity Trustees.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

State Street Australia Limited
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000

Please note that cash and cheques cannot be accepted.

Application cut-off times

If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money:

- before 2pm (Melbourne Time) on a Business Day and your application for units is accepted, you will generally receive the Application Price (as defined below) calculated for that Business Day; or
- on or after 2pm (Melbourne Time) on a Business Day and your application for units is accepted, you will generally receive the Application Price calculated for the next Business Day.

Application terms

We will only start processing an application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your Application Form.

Applications may only be made by a wholesale client as defined under the Corporations Act.

The minimum initial application for units is \$100,000. Equity Trustees reserves the right to accept lesser amounts.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this IM, the Buy Spread is 1.2%. The Application Price will vary as the market value of assets in the Fund rises or falls.

The Buy/Sell Spread will be reviewed on a quarterly basis and may change. The Responsible Entity has the discretion to change the Buy/Sell Spread without providing notice. The most

current Buy/Sell Spread can be found in the relevant monthly fund factsheet available at www.eqt.com.au/insto and can be viewed prior to making an investment or withdrawal.

Additional applications

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. The minimum additional investment into the Fund is \$10,000.

Terms and conditions for applications

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Foreign Account Tax Compliance Act (FATCA) applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees or the Administrator refuses or is unable to process your application to invest in the Fund, the Administrator will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Withdrawals

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

State Street Australia Limited
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000

or by sending it by fax to +612 9323 6420 or +612 9323 6411.

Withdrawal cut-off times

If we receive a withdrawal request:

- before 2pm (Melbourne time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price (as defined further below) calculated for that Business Day; or
- on or after 2pm (Melbourne time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next Business Day.

Withdrawal terms

Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

We may contact you to check your details before processing your withdrawal request but are not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.

When you are withdrawing, you should take note of the following:

- Withdrawals will only be paid to the investor.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below \$25,000 (the "Minimum Holding").
- If we cannot satisfactorily identify you as the withdrawing investor, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

The minimum withdrawal amount is \$10,000. Once we receive and accept your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees will generally allow an investor to access their investment within 5 days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investor's nominated bank account. However, Equity Trustees is allowed to reject withdrawal requests, and also to make payment up to 21 days after acceptance of a request (which may be extended in certain circumstances) as outlined in the Constitution.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion.

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this IM, the Sell Spread is 1.2%.

The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$25,000 as a result of processing your withdrawal request. Equity Trustees may limit the number of units redeemed on a Business Day on which banks are not open for general banking business in London and/or New York to units representing not more than 10% of the NAV of the Fund. This limitation will apply pro rata, so that all Unitholders wishing to redeem units on that day realise the same proportion of their units. Redemption of units that would otherwise have been redeemed will be deferred to the next Business Day.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

The Buy/Sell Spread will be reviewed on a quarterly basis and may change as a result of the investment strategy of the Fund. The Responsible Entity has the discretion to change the Buy/Sell Spread without providing notice. The most current Buy/Sell Spread can be found in the relevant monthly fund factsheet available at www.eqt.com.au/insto and can be viewed prior to making an investment or withdrawal.

Withdrawal restrictions

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, we may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors or former investors for us to do so, due to circumstances outside our control (such as restricted or suspended trading in a Fund asset).

Income Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period.

The Fund usually distributes income monthly effective as at the last Business Day of each month. Distributions are calculated on the last day of each distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their nominated Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received prior to the next valuation time after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

In some circumstances, an investor's withdrawal proceeds may be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Rights and Liabilities of Unitholders

Rights of the Unitholders are governed by the Constitution and the Corporations Act. The Constitution provides that the liability of Unitholders is generally limited to the assets of the Fund.

6. Fees and other costs

Management costs

Management costs include management fees and other ordinary expense recoveries related to the establishment and operation of the Fund. Management costs do not include transaction costs and abnormal expenses, which may also be charged to the Fund.

The management fees include Responsible Entity fees, investment management fees, administration fees and fees of the custodian. The management fees are 0.525% p.a. (including GST and net of RITC) of the net asset value of the Fund and are reflected in the unit price of the Fund.

Administration fees include but are not limited to custodial and administration costs, accounting and audit expenses.

What do the management costs pay for?

The management fees include Responsible Entity fees, investment management fees, administration fees and fees of the custodian. The management fees are calculated and accrued monthly based on the NAV of the Fund. The accrued fees are paid in arrears from the assets of the Fund within 14 days of the end of each month. The management fees reduce the NAV of the Fund and are reflected in the unit price.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors. This will generally relate to the size of your investment in the fund.

Transaction and other costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, and the costs of over-the-counter derivatives that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Buy/Sell Spread

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 1.2% upon entry and 1.2% upon exit. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.eqt.com.au/insto will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

Abnormal Expenses

In addition to the management fees and ordinary expense recoveries, the Responsible Entity may additionally recover abnormal expenses (such as the costs of Unitholders' meetings, legal advice/proceedings and other irregular expenses). The Constitution does not place any limit on the amount of the abnormal expenses that can be paid from the Fund.

Can the fees change?

All fees can change without Unitholder consent, subject to the maximum fee amounts specified in the Constitution of the Fund. Reasons might include changing economic conditions and changes in regulation. Equity Trustees have the right to recover all proper expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly. We will notify Unitholders of any changes to fees and expenses in accordance with the law and the Constitution. The Constitution in some circumstances defines the maximum fees that can be charged for some fees described in this IM.

7. Other Important Information

Cooling off period

No cooling off period applies to units offered under this IM.

Unitholder's liability

The Constitution for the Fund provides that unless there is a separate agreement with a Unitholder, no Unitholder can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. Therefore, it is expected that Unitholders will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that a Unitholder's liability will be limited in all circumstances.

In general, the liability of a Unitholder is limited to the amount (if any) which remains unpaid in relation to their subscription for units and certain amounts in respect of tax. The Responsible Entity is permitted to deduct certain amounts owed to the Responsible Entity from amounts payable to Unitholders.

Non-listing of units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Fund's Constitution. The Fund may otherwise terminate if required by law. A notice will be provided to Unitholders advising of the Fund's termination. Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unitholders according to the number of units they hold in the Fund.

Compliance Plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Unit Pricing Discretions Policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

Joint Account Operation

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants unless we are advised to the contrary in writing.

Appointment of Authorised Nominee to Operate Account

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the

initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic Instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or via the internet the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine):

- that Equity Trustees receives by an electronic communication bearing the investor's investor code; and
- which appears to indicate to Equity Trustees that the communication has been provided by the investor (for example, it has a signature which is apparently the investor's or an authorised signatory's or it has an email address which is apparently the investor's).

The investor agrees that neither the investor nor anyone claiming through the investor has any claim against Equity Trustees or the Fund in relation to such payments or actions.

There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

Constitution of the Fund

You will be issued units in the Fund when you invest. Each unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this IM.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease processing withdrawals, such as if the Fund becomes 'illiquid';
- the nature of the units - identical rights attach to all units; and
- an investor's rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Fund;
- when we can be removed as the Responsible Entity of the Fund - which is when required by law; and
- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets.

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees' responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests.

Copies of the Constitution are available, free of charge, on request from Equity Trustees.

Indemnity

Equity Trustees, as the Responsible Entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by law, this indemnity includes any liability incurred as a result of any act or

omission of a delegate or agent appointed by the Responsible Entity. Equity Trustees may retain and pay out any monies in its hands all sums necessary to affect such an indemnity.

Related party transactions

The Responsible Entity and its associates are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund. Any such transactions will be on arm's length commercial terms. The Responsible Entity and its associates are also permitted to hold units in any capacity.

Investment Manager consents

Insight Investment Management (Global) Limited has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Investment Manager of the Fund; and
- to the inclusion of the statements made about it, the Fund, the investment strategy of the Fund and to the statistical information attributed to it in the form and context in which this information appears.

Insight Investment Management (Global) Limited has not otherwise been involved in the preparation of this IM, nor has it caused or otherwise authorised the issue of this IM. Neither Insight Investment Management (Global) Limited nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Administrator consents

State Street Australia Limited has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Administrator of the Fund; and
- to the inclusion of the statements made about it and the Fund in the form and context in which this information appears.

State Street Australia Limited has not otherwise been involved in the preparation of this IM, nor have they caused or otherwise authorised the issue of this IM. Neither State Street Australia Limited nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Indemnification of the Investment Manager

Under the terms of the Investment Management Agreement, Equity Trustees, in its capacity as trustee of the Fund, indemnifies and agrees to hold harmless the Investment Manager against any loss or liabilities reasonably incurred by the Investment Manager, and any direct costs, charges and expenses incurred by the Investment Manager by reason of the Investment Manager performing its duties and obligations under the Investment Management Agreement. The Investment Manager will not be entitled to be indemnified in relation to any such loss, liability, cost, charge or expense to the extent to which it is caused by the Investment Manager's negligence, fraud or dishonesty.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees’ Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees’ Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees’ Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect

Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator’s application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to a Unitholder in the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the Unitholder to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Foreign Account Tax Compliance Act (“FATCA”)

In April 2014, the Australian Government signed an intergovernmental agreement (“IGA”) with the United States of America (“U.S.”), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (“ATO”). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate Unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard (“CRS”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

Anti-Money Laundering and Counter Terrorism Financing (“AML/CTF”)

Australia’s AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation (“KYC Documents”) from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

8. Taxation

Investing in a registered managed investment scheme (such as this Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

9. Glossary

Application Form

The application form that accompanies the IM.

ASIC

Australian Securities and Investments Commission

ATO

Australian Taxation Office

Australian Cash Rate

The interest rate on unsecured overnight loans between banks. It is the (near) risk-free benchmark rate (RFR) for the Australian dollar and is also known by the acronym AONIA in financial markets.

Business Day

A day other than Saturday or Sunday on which banks are open for general banking business in Melbourne or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the administrator performs such functions.

Constitution

Refers to the trust deed establishing and governing the Fund dated 17 June 2022, as amended from time to time.

Corporations Act

Corporations Act 2001 (Cth)

Equity Trustees shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Complaints

Equity Trustees has an established complaint handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority (“AFCA”).

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it’s important that you contact us first.

The Fund is an Australian resident for tax purposes and does not pay tax on behalf of its members. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund.

Fund

Means the Insight High Income Fund (ARSN 661 144 109) governed by the Constitution.

GST

Goods and Services Tax

IDPS

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

IDPS Operator

The entity responsible for operating an IDPS.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Investment Management Agreement

The Investment Management Agreement (“IMA”), between EQT and the Investment Manager, provides for the appointment of the Investment Manager to perform investment management services in relation to the ongoing operation of the fund in return for the payment of the fees and charges as set out in the IMA.

Net Asset Value (“NAV”)

The market value of the Fund’s assets less certain liabilities.

Unitholder

A person who completes and submits an Application Form and subscription funds to the Fund in accordance with the terms of this Information Memorandum and whose application has been accepted and who is registered as a holder of units under the Constitution.

US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the US, its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the US; or
- (d) a pension plan primarily for US employees of a US Person; or
- (e) a US collective investment vehicle unless not offered to US Persons; or
- (f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is

not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

Wholesale Client

Persons or entities defined as wholesale clients under section 761G of the Corporations Act.

You, your

Refers to an investor