channel capital | WELLINGTON MANAGEMENT®

CC Wellington Multi-Sector Credit Fund

Class A Units
ARSN 688 887 103 I APIR CHN7928AU
Product Disclosure Statement

2 September 2025

Issued By:
Responsible Entity
Channel Investment
Management Limited
ABN 22 163 234 240
AFSL 439007

Important Information

THIS IS AN IMPORTANT DOCUMENT WHICH SHOULD BE READ IN ITS ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION IN RELATION TO THE CC WELLINGTON MULTI-SECTOR CREDIT FUND ARSN 688 887 103. YOU SHOULD OBTAIN INDEPENDENT ADVICE IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE MATTERS CONTAINED IN THIS PRODUCT DISCLOSURE STATEMENT.

This product disclosure statement ('**PDS**') pertaining to the CC Wellington Multi-Sector Credit Fund ARSN 688 887 103 (the '**Fund**') has been prepared solely in connection with the offer of Class A units ('**Units**') in the Fund and is issued by Channel Investment Management Limited ACN 163 234 240 ('**CIML**' or '**Responsible Entity**') as responsible entity and manager of the Fund. The administrator of the Fund, and the registrar of the Fund is Apex Fund Services Pty Ltd ABN 81 118 902 891 ('**Apex**' or '**Fund Administrator**').

Units issued under this PDS will be issued by CIML on the terms and conditions set out in the constitution of the Fund ('**Constitution**') and in this PDS.

This PDS is dated 2 September 2025.

References to "you" and "your" are references to an Investor or prospective Investor in the Fund.

This PDS is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in Units in the Fund described in it and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective Investors so receiving it). The offer under this PDS is available to: (i) wholesale clients (as defined in section 761G of the *Corporations Act 2001* (Cth) ('**Corporations Act**')); and (ii) Investors investing through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('**IDPS**'); and (iii) to whom CIML or Wellington Management Company LLP (the '**Underlying Fund Investment Manager**' and together with the Underlying Fund and their affiliates, '**Wellington**') has notified as being eligible to participate in the offer and who have received this PDS (electronically or otherwise) within Australia. Applications from outside Australia, or from applicants whom CIML or Wellington has not notified as being eligible to participate in the offer, may not be accepted. The offer under this PDS is not available directly to Investors who are not wholesale clients, and such Investors may only invest indirectly in the Fund through an IDPS.

The information in this PDS is intended to be general information only and is not intended to be a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances.

Prospective Investors should read and understand this PDS in its entirety, rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest. This PDS should be read in conjunction with the Constitution, which is available from CIML upon request. You agree to be bound by the Constitution. If any provision of this PDS is inconsistent with the Constitution, then the Constitution prevails to the extent of the inconsistency.

Information in this PDS is subject to change from time to time. Information regarding the Fund that is not materially adverse may be updated without issuing a new or supplementary PDS. Such updated information may be obtained from the Fund's website at www.channelcapital.com.au/funds. A paper copy of any updated information will be provided on written request, free of charge, from CIML.

Where Investors in the Fund have provided CIML with their email addresses, CIML will send notices of meetings, other meeting-related documents, and annual financial reports electronically unless an Investor in the Fund has elected to receive these in physical form and have notified CIML in writing of this election. As an Investor in the Fund, you have the right to elect whether to receive some or all of these communications in electronic or physical form and the right to elect not to receive annual financial reports at all. You also have the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

In accordance with its obligations under the Corporations Act, CIML may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

An investment in the Fund is an interest in a registered managed investment scheme, and is not a bank deposit, bank security or other bank liability. In considering whether to invest in the Fund, prospective Investors should consider the risks that could affect the financial performance of the Fund. Some of the risks affecting the Fund are summarised in section 8 of this PDS.

An investment in the Fund is not a deposit with, or liability of, CIML or Wellington or any other company of the "Channel Capital" or "Wellington" groups, in which CIML or Wellington is a part of. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of CIML, Wellington, the custodian of the Fund, the Fund Administrator or their related entities, shareholders, directors or officers guarantees the performance of the Fund, the return of an Investor's capital, the payment of distributions or any specific rate of return.

CIML has on its own initiative, except as otherwise stated in section 13.6 of this PDS, undertaken the preparation of this PDS and CIML explicitly does not expect Wellington to accept any responsibility or liability for any information contained in this PDS. In addition, Wellington is not involved in the investment decision-making process for the Fund.

No person is authorised by CIML to give any information or make any representation in connection with the Fund that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by CIML.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia. The distribution of this PDS outside Australia may be restricted by law and persons who come into possession of this PDS outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Certain information contained in this PDS may constitute "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "target," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology.

Furthermore, any projections or other estimates in this PDS, including estimates of returns or performance, are "forward-looking statements" and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set out under risks affecting the Fund summarised in section 8 of this PDS, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The forward-looking statements included in this PDS involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CIML or Wellington. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors in the Fund are cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this PDS are forward-looking statements and subject to this disclaimer.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

CIML has authorised the use of this PDS as disclosure to Investors in the Fund and prospective Investors who invest directly in the Fund, as well as Investors and prospective Investors of an IDPS. This PDS is available for use by persons applying for the Fund's Units through an IDPS ('**Indirect Investors**').

The operator of an IDPS is referred to in this PDS as the '**IDPS Operator'** and the disclosure document for an IDPS is referred to as the '**IDPS Guide'**. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become an Investor in the Fund or have the rights of Investors in the Fund. The IDPS Operator becomes the Investor in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for Units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. CIML accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by CIML.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

Any photographs, images, charts and diagrams in this PDS are for illustrative purposes only and may not represent any current or proposed investments of the Fund.

All amounts quoted in this PDS are in Australian Dollars ('**AUD**') unless stated otherwise. Capitalised terms have the meaning given to those terms in section 16 of this PDS, unless the context otherwise requires.

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1. Key Fund information

This table contains a summary of the key features of the Fund and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. You should read the PDS in full before deciding whether to invest. Please refer to the Glossary (see section 16) for definitions of terms. For further information on the key features and service providers, please refer to the sections noted below. If you are in doubt as to the course you should follow, please consult your professional adviser(s).

Fund Features	Summary	Section(s)
Responsible Entity	Channel Investment Management Limited ACN 163 234 240 AFSL 439007 (‘**CIML**’ or ‘**Responsible Entity**’).	4
Fund Name	CC Wellington Multi-Sector Credit Fund (the ‘**Fund**’).	6
Class	Class A units (‘**Units**’).	9.4
Underlying Fund	Wellington Multi-Sector Credit Fund, being a sub-fund of the Wellington Management Funds (Luxembourg) II SICAV (the ‘**Underlying Fund**’).	6.3
Underlying Fund AIFM	Wellington Luxembourg S.à r.l (‘**Underlying Fund AIFM**’).	6.3
Underlying Fund Investment Manager	Wellington Management Company LLP (‘**Underlying Fund Investment Manager**’).	6.3
Investment objective and strategy	The Fund aims to provide Investors with long-term total returns by gaining indirect exposure to a broadly diversified portfolio of global credit investments through its investment in the Underlying Fund. To achieve this objective, the Fund will invest all, or substantially all, of its assets in class S shares of the Underlying Fund, being an AUD-denominated share class that provides access to a professionally managed portfolio of credit-focused assets. The Fund may retain a small portion of its assets in cash or cash equivalents for the purposes of meeting short-term operational needs, including liquidity management, transaction settlement, and payment of Fund expenses. The Fund does not intend to engage in short selling or utilise leverage or derivatives as part of its investment strategy. The Fund may not be successful in achieving its investment objective. The investment objective or strategy may change from time to time.	6.2
Underlying Fund investment objective and strategy	The Underlying Fund is actively managed with the objective of generating long-term total returns through exposure to a broadly diversified portfolio of global credit instruments. It primarily targets high-yielding credit segments such as emerging market debt, high yield bonds, and bank loans (typically via credit assignments). The strategy leverages fundamental credit analysis and risk-adjusted return assessments to produce investment returns by identifying and capitalising on credit instruments that offer attractive yields relative to their risk profiles, while aiming to promote diversification and provide access to floating rate instruments through the use of bank loan assignments, which may offer a degree of protection in rising interest rate environments and support more stable income generation over time.	6.3

Fund authorised investments	The Fund is generally expected to allocate between 95% and 100% of its assets to the Underlying Fund, with up to 5% held in cash and cash equivalents to support liquidity and other short-term operational needs. The above stated ranges are indicative only and are subject to change. In particular, inflows from subscriptions and outflows from redemptions may cause the amount of cash held by the Fund to be higher or lower than stated in the above indicative ranges.	6.2
Underlying Fund authorised investments	The Underlying Fund employs a flexible, opportunistic credit investment strategy with no specific allocation thresholds across asset classes, credit quality or geographic regions. It may invest in a broad range of fixed income and credit-related instruments, including high yield bonds, bank loans, asset-backed securities, collateralised loan obligations, convertible bonds, structured notes, real estate investment trust (REIT) debt, and credit-linked instruments issued by corporate, government, or supranational entities. The Underlying Fund may also invest in equity and equity-related securities (including common stock, preferred stock, and securities convertible into or exchangeable for equity securities) in connection with restructurings or workouts of fixed income positions. The Underlying Fund may hold non-United States Dollar ('**USD**') denominated securities and is permitted to employ active currency management. Up to 10% of net assets may be invested in securities traded via China's Bond Connect, and up to 5% in non-listed, non-traded collective investment schemes. A portion of assets may also be invested in affiliated or third-party commingled pooled investment vehicles, subject to additional management fees, performance fees, and operating expenses at the level of those vehicles.	6.2
Fund base currency	Australian dollars ('**AUD**').	6.2
Underlying Fund base currency	The reference currency of the Underlying Fund is the USD. However, the Underlying Fund or individual classes of the Underlying Fund may be denominated in different currencies, including for example the class of shares that the Fund intends to invest into (that is, the class S shares), which is denominated in AUD.	6.3
Currency hedging	The Fund intends to invest in shares in an AUD-denominated share class of the Underlying Fund, which may be hedged back against the Underlying Fund's reference currency, USD, at the discretion of the Underlying Fund Investment Manager.	3 and 6.3
Fund unit pricing	Daily – A unit price for Units is calculated each Business Day.	9.2
Minimum suggested investment timeframe	At least five (5) years. The Fund is designed as a medium to long-term investment for Investors who have a limited need for liquidity in their investment. The Fund is therefore not suitable for Investors who depend on the short-term availability of their funds.	6.2
Minimum initial investment	$100,000 or lower at the discretion of CIML.	11.1
Minimum additional investment	No minimum.	11.2
Minimum investment balance	$100,000 or lower at the discretion of CIML.	11.3
Minimum redemption amount	No minimum.	11.3

Fund's key fees and costs	All figures disclosed are inclusive of Goods and Services Tax ('**GST**') less any reduced input tax credits ('**RITC**') and are shown without any other adjustment in relation to any tax deduction available to CIML. **Management fees and costs** Management fees and costs of the Fund are estimated to be 0.70% per annum of the net asset value ('**NAV**') of the Fund referable to the Units comprised of: • a management fee of 0.69% per annum of the NAV of the Fund referable to the Units; • estimated indirect costs of 0.00% per annum of the NAV of the Fund referable to the Units; and • estimated expense recoveries of 0.01% per annum of the NAV of the Fund referable to the Units. **Performance fee** The Fund and the Underlying Fund do not charge a performance fee. **Transaction costs** Transaction costs incurred in managing the assets of the Fund are estimated to be 0.01% per annum of the NAV of the Fund referable to the Units and are additional to the management fees and costs. *Buy-Sell Spreads* A buy–sell spread of 0.00% on applications and 0.00% on withdrawals applies. For further details on the Fund's fees and costs process, please refer to section 10 of this PDS.	10
Applications	The Unit price and Net Asset Value of the Fund are calculated and determined each Business Day. To invest in the Fund, applications must be received, verified and accepted and cleared application monies received in the Fund's application bank account by 12 noon (Sydney, New South Wales time) on a Business Day to receive the Unit price for the following Business Day. An application request (together with the cleared application monies) received, verified and accepted after 12 noon (Sydney, New South Wales time) on any Business Day is deemed to be received, verified and accepted the next Business Day and processed using the Unit price for the following Business Day. CIML may accept applications in limited circumstances and in its absolute discretion, after this time. CIML reserves the right not to accept (wholly or in part) any application for any reason or without reason. For further details on the Fund's application process, please refer to section 11 of this PDS.	11

Redemptions	It is expected that requests for redemptions from the Fund will generally be processed daily on each Business Day following CIML's acceptance of a completed redemption request, where liquidity is available. Notwithstanding this intention and expectation, redemption requests are to be made in writing by completing a redemption form to be received, verified and accepted by the Fund Administrator by 12 noon (Sydney, New South Wales time) on a Business Day to receive the withdrawal amount calculated using the Unit price for the following Business Day. redemption request received, verified and accepted after 12 noon (Sydney, New South Wales time) on a Business Day, will be deemed to be received, verified and accepted on the next Business Day and the withdrawal amount payable is calculated using the Unit price for the following Business Day, subject to the withdrawal process described in section 11 of the PDS. Investors do not have a right to withdraw from the Fund. Under the Constitution, CIML has the discretion, but not the obligation, to offer Investors the opportunity to redeem their Units in the Fund from time to time, on such terms as CIML may determine. Any redemption facility is therefore subject to CIML's discretion and may be suspended, withdrawn or amended at any time. Under normal circumstances, it is CIML's expectation that the redemption request will be processed within 21 Calendar Days of the redemption request being accepted, though in certain circumstances, redemptions may be suspended for up to 180 Calendar Days in accordance with the Constitution (including, without limitation, if CIML believes this is in the best interests of Investors to do so or if it cannot realise all Fund assets in cash). For further details on the Fund's redemptions, please refer to section 11 of this PDS.	11.3
Distributions	Quarterly, or otherwise as determined by CIML. You can elect to have your distribution automatically reinvested as additional Units in the Fund or credited to your nominated financial institution account. If no election is made, your distributions will be automatically reinvested into the Fund. For further details on the Fund's distributions, please refer to section 9 of this PDS.	9.3
Liquidity of assets	The Underlying Fund invests all or substantially all of its assets in credit instruments, including emerging market debt, high yield bonds, bank loans (such as senior secured or leveraged loans), and other fixed income and credit-related securities that may be illiquid or subject to legal and other restrictions on resale. Despite this, the Underlying Fund reasonably expects to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Underlying Fund's Net Asset Value, within 10 days at their ascribed value in calculating the Underlying Fund's NAV. The Underlying Fund's liquidity will ultimately limit the ability of the Fund to redeem its holdings in the Underlying Fund (and by extension, may limit CIML's ability to accept redemptions from the Fund) and Investors should take this into consideration when deciding whether or not to invest in the Fund. For further details on the Fund's liquidity, please refer to section 6.2 of this PDS.	6.2, 6.3 and 8.3

2. RG 240 Benchmarks

The Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 240, "Hedge Funds: Improving disclosure" ('**RG 240**'), requires funds, that qualify as "hedge funds," to meet certain benchmarks and disclosure principles to ensure that Investors have the necessary information to make an informed decision.

The Fund will be considered as a "fund of hedge funds" for the purposes of RG 240 as the Underlying Fund exhibits, or will exhibit, two or more characteristics of a hedge fund as set out in RG 240. Consequently, as the Fund is a "fund of hedge funds", the RG 240 benchmarks and disclosure principles apply to the Fund and the Underlying Fund on a "look-through" basis.

The following table provides a summary of the benchmark and disclosure principles required under RG 240 and where further detail can be found within this PDS.

Benchmark	Is the Benchmark satisfied?	Section(s) (for futher information)
Benchmark 1 *Valuation of assets* *Whether valuations of the hedge fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.*	**The Fund** The Fund complies with this benchmark. The Fund will invest all or substantially all of its assets in class S shares in the Underlying Fund, which are not an exchange traded asset. The Fund is valued by the Fund Administrator. The value of the assets of the Fund (including any that are not exchange traded), are determined in accordance with standard market practice and market prices are generally electronically sourced from third parties. The Fund Administrator is not related to either CIML or Wellington. CIML does not have a policy that requires the Underlying Fund to satisfy this benchmark. **The Underlying Fund** The Underlying Fund does not comply with this benchmark. The valuation of non-exchange traded assets of the Underlying Fund is undertaken internally by the Underlying Fund AIFM, rather than by an independent administrator or valuation service provider. However, the valuation framework applicable to the Underlying Fund is governed by the European Union's 2011 Alternative Investment Fund Managers Directive ('**AIFMD**'), which imposes detailed regulatory requirements to ensure the integrity of the valuation process. Accordingly, while the Underlying Fund does not engage an external valuation service provider, the Underlying Fund AIFM is subject to robust regulatory obligations under AIFMD designed to mitigate risks arising from the absence of external valuation independence and to manage conflicts of interest in connection with valuations.	9.1

Benchmark 2	**The Fund**	13

Periodic Reporting

Whether the issuer will provide periodic disclosure of key information on an annual and monthly basis.

The Fund complies with this benchmark.

The following information in relation to the Fund will be made available to the Fund's Investors on a monthly basis:

- current total Net Asset Value of the Fund and the withdrawal value of a Unit;
- net return after fees, costs and taxes charged to, or withheld from returns of, the Fund;
- changes to key service providers, including any change in related party status;
- any material changes to the risk profile or investment strategy; and
- any changes in individuals playing a key role in investment decisions for the Fund.

The following information in relation to the Fund will be made available to the Fund's Investors on an annual basis:

- asset allocation to each asset type;
- liquidity profile at the end of the relevant period;
- maturity profile of liabilities at the end of the relevant period;
- the gross exposure as a measure of the leverage ratio at the end of the relevant period;
- details on the class of derivative counterparties engaged;
- monthly or annual returns; and
- any changes to key service providers including any change in related party status.

All reports addressing the above matters will be available at the Fund's website at www.channelcapital.com.au/funds.

The Underlying Fund

The Underlying Fund complies with this benchmark.

The following information in relation to the Underlying Fund will be made available to the Underlying Fund's investors on a monthly basis:

- current total Net Asset Value of the Underlying Fund and the withdrawal value of a Unit;
- net return after fees, costs and taxes charged to, or withheld from returns of, the Underlying Fund;
- changes to key service providers, including any change in related party status;
- any material changes to the risk profile or investment strategy; and
- any changes in individuals playing a key role in investment decisions for the Underlying Fund.

The following information in relation to the Underlying Fund will be made available to the Underlying Fund's investors on an annual basis:

- asset allocation to each asset type;
- liquidity profile at the end of the relevant period;
- maturity profile of liabilities at the end of the relevant period;
- the gross exposure as a measure of the leverage ratio at the end of the relevant period;
- details on the class of derivative counterparties engaged;
- monthly or annual returns; and
- any changes to key service providers including any change in related party status.

The Underlying Fund does not maintain a dedicated website through which monthly and annual reports of the Underlying Fund are publicly accessible. However, monthly and annual reports for the Underlying Fund – containing the information required under this benchmark, including liquidity profiles, asset allocation, leverage, derivative exposure, and key risk metrics – can be made available to Investors in the Fund upon request from CIML.

3. RG 240 Disclosure Principles

ASIC has established nine disclosure principles for funds categorised as "hedge funds" or "fund of hedge funds" under RG 240. Issuers of such products are expected to include information about these principles in their PDS.

The table below outlines these disclosure principles along with a summary of related information. It is important to review this information alongside the detailed explanations provided in this PDS and the key risks outlined in section 8. Updates to this section regarding RG 240 principles will occur periodically. Non-material updates will be posted on the Fund's website (www.channelcapital.com.au/funds) while material changes will result in an updated PDS.

Disclosure Principle	Summary	Section(s) (for further information)
Disclosure Principle 1: ***Investment strategy*** *Whether investors are made aware of the details of the investment strategy for the fund, including the type of strategy, how it works in practice and how risks are managed*	**The Fund** The Fund aims to provide Investors with long-term total returns by gaining indirect exposure to a broadly diversified portfolio of global credit investments through its investment in the Underlying Fund. The Fund does not invest directly in credit instruments, nor does it use leverage, derivatives or short selling. The Fund may retain a small portion of its assets in cash or cash equivalents for the purposes of meeting short-term operational needs, including liquidity management, transaction settlement, and payment of Fund expenses. The selection of the Underlying Fund followed a rigorous due diligence process, including assessment of the management team's experience, investment strategy, risk management and regulatory compliance. The Fund applies CIML's firm-wide risk management framework, which involves structured identification, analysis, evaluation and treatment of risks, ensuring alignment with the Fund's objectives and effective mitigation across all risk categories. For further details on the Fund's investment strategy, please refer to section 6.2 of this PDS. There are certain risks involved in investing in the Fund. For more information on the risks associated with the investment in the Fund, please refer to section 8.2. **The Underlying Fund** The Underlying Fund is actively managed with the aim of delivering long-term total returns through exposure to a broadly diversified portfolio of global credit instruments. It primarily targets high-yielding credit segments such as emerging market debt, high yield bonds, and bank loans (typically via credit assignments), with investment selection informed by the Underlying Fund Investment Manager's proprietary credit research. The strategy is based on identifying underappreciated opportunities arising from pricing inefficiencies sustained by structural barriers to investor understanding, behavioural biases, and regulatory, operational or benchmark constraints. Its investment process integrates a specialist-driven fundamental research platform with a sector-relative value framework and rigorous quantitative modelling to identify relative value across sectors and securities.	6.2, 6.3, 8.2 and 8.3

	The use of bank loan assignments provides the Underlying Fund with access to floating rate instruments, which may offer a degree of protection in rising interest rate environments and support more stable income generation over time. The strategy seeks to deliver enhanced risk-adjusted returns while promoting diversification and resilience across varying credit market conditions. For further details on the Underlying Fund's investment strategy, please refer to section 6.3 of this PDS. There are certain risks involved in investing in the Underlying Fund. For more information on the risks associated with the investment in the Underlying Fund, please refer to section 8.3.	
Disclosure Principle 2: ***Investment Manager*** *Whether investors have the necessary information about the people responsible for managing the fund's investments, such as their qualifications and relevant commercial experience, and the proportion of their time devoted to the hedge fund.*	**The Fund** CIML, as the responsible entity, will operate and manage the Fund. For more information, please refer to section 4 of this PDS. **Underlying Fund** Wellington Luxembourg S.à r.l. (the **'Underlying Fund AIFM'**) has been appointed as the external alternative investment fund manager of the Underlying Fund. In this capacity, it is responsible for performing investment management functions, including both portfolio and risk management, as well as oversight, valuation and certain other functions in relation to the Underlying Fund. The Underlying Fund AIFM, with the consent of the Underlying Fund, has delegated portfolio management to Wellington Management Company LLP ('**Underlying Fund Investment Manager**'). The Underlying Fund Investment Manager has full discretion to make investment decisions on behalf of the Underlying Fund and is responsible for sourcing, structuring, and negotiating its investments. It also actively manages each investment with the objective of maximising cash flow and enhancing long-term value. For further details on the Underlying Fund Investment Manager (including the key individuals responsible for managing the investments of the Underlying Fund), please refer to section 6.3 of this PDS. For specific risks related to the Underlying Fund Investment Manager, please refer to section 8.3 of this PDS.	4, 6.3 and 8.3

Disclosure Principle 3: ***Fund Structure*** *Whether the issuer explains the investment structures involved, the relationships between the entities in the structure, fees payable to the fund operator and investment manager, the jurisdictions involved (if these involve parties offshore), the due diligence performed on underlying funds, and the related party relationships within the structure.*	**The Fund** The Fund is an unlisted Australian unit trust registered with ASIC as a managed investment scheme under the Corporations Act. The Fund gains its investment exposure primarily by investing in an AUD-denominated share class of the Underlying Fund. Key service providers to the Fund include Ernst & Young as the Fund's auditor, Citibank N.A. Hong Kong Branch as the Fund's custodian, and the Fund Administrator to provide fund administration services, including independent unit pricing, administration and registry services, and some accounting services for the Fund. CIML conducts comprehensive due diligence on the key service providers of the Fund and monitors their ongoing compliance with service standards. From time to time, CIML may hold non-cash assets itself in accordance with the Corporations Act and applicable ASIC instruments. There are no related party relationships other than those disclosed under section 6. All material service arrangements are entered into on arm's length terms. For further details on the Fund's structure, please refer section 6 of this PDS. **The Underlying Fund** The Underlying Fund is a sub-fund of the Wellington Management Funds (Luxembourg) II SICAV, a Luxembourg société d'investissement à capital variable organised in the form of a public limited company to provide investors with access to private markets strategies. Wellington Luxembourg S.à r.l. has been appointed as the Underlying Fund's alternative investment fund manager, responsible for investment management, oversight, valuation, and other functions. Portfolio management has been delegated to Wellington Management Company LLP, which exercises full discretion over the Underlying Fund's investments. State Street Bank International GmbH, Luxembourg Branch ('**Underlying Fund Depository and Administrator**'), serves as depository, administrative agent, registrar, transfer agent and paying agent, with responsibilities including safekeeping of the Underlying Fund's financial instruments that may be held in custody, NAV calculation, subscription and redemption processing, and investor communications. PricewaterhouseCoopers acts as the Underlying Fund's approved statutory auditor. The Underlying Fund's key service providers, including the Underlying Fund AIFM and Underlying Fund Investment Manager, are affiliated with the Wellington group and may act in multiple capacities across various funds and client mandates. While the Underlying Fund AIFM and Underlying Fund Investment Manager have developed comprehensive conflicts of interest policies, the management of such conflicts may, in some circumstances, limit investment opportunities or require action that differs from what would otherwise have been taken. There is no assurance that all conflicts will be resolved in favour of the Underlying Fund or its investors. For further details on the Underlying Fund's structure, please refer section 6 of this PDS. The Underlying Fund Investment Manager is entitled to management fees, and other fees. For more information on the fee arrangements with the Underlying Fund, please refer to section 10 of this PDS.	6 and 10

Disclosure Principle 4:

Valuation, location and custody of assets

Whether the issuer discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.

The Fund

6.2, 6.3, 8.3, and 9

The Fund's Net Asset Value is calculated by the Fund Administrator in accordance with the Constitution, based on the value of the Fund's assets less its liabilities. As the Fund invests all or substantially all of its assets in shares of the Underlying Fund, which are not exchange traded, asset valuations are conducted in line with standard market practice using third-party pricing sources. In general, the value of the Fund's assets will reflect the published Net Asset Value of the Underlying Fund. Where independent pricing is unavailable, CIML will liaise with the Fund Administrator to determine the value of the asset in accordance with acceptable industry standards.

The Fund does not apply specific diversification or geographic investment policies, nor does it maintain policies in respect of the custodial arrangements of underlying funds.

The Fund is generally expected to allocate between 95% and 100% of its assets to the shares of the Underlying Fund, with the remainder held in cash or cash equivalents to support liquidity and operational needs. The above ranges are indicative only and are subject to change. In particular, inflows from subscriptions and outflows from redemptions may cause the amount of cash held by the Fund to be higher or lower than stated in the above indicative ranges.

For further details on the Fund's valuation, location and custody of assets, please refer to section 9 of this PDS.

The Underlying Fund

The Net Asset Value of the Underlying Fund is calculated by the Underlying Fund Depositary and Administrator, who is, amongst other things, its administrator, in accordance with valuation policies prescribed under the AIFMD and implemented by the Underlying Fund AIFM. Assets are valued at fair value, with listed assets generally marked to the latest closing price and unquoted or illiquid assets assessed in good faith based on observable inputs, expected realisation values, or recognised valuation methodologies. Investments in underlying funds are generally valued at the most recent official or estimated redemption price published by the relevant underlying fund, unless the Underlying Fund AIFM reasonably determines that such price does not reflect fair value. The Underlying Fund AIFM has the discretion to apply swing pricing to mitigate the potential for dilution of value arising from investor trading activity. Swing pricing adjustments are capped at 5% of the original Net Asset Value of the Underlying Fund under normal market conditions, but may be temporarily increased in exceptional market circumstances.

The Underlying Fund follows a flexible, opportunistic credit investment strategy with no specific allocation thresholds across asset classes, credit quality or geographic regions, though its average portfolio duration is expected to range from two to six years. While it may invest in below investment grade or unrated securities, the portfolio's average credit rating is generally expected to be B- or higher, although it may vary over time depending on market conditions and investment opportunities. Active currency management is employed, with the Underlying Fund permitted to take currency exposures – whether related or unrelated to underlying bond or cash positions – on an opportunistic basis. The reference currency of the Underlying Fund is the USD, however the Underlying Fund or individual classes of the Underlying Fund may be denominated in different currencies, including for example the class of shares that the Fund intends to invest into (that is, the class S shares), which is denominated in AUD.

	As a Luxembourg specialised investment fund, the Underlying Fund is subject to specific risk-spreading obligations. It may not, in principle, invest more than 30% of its assets or of its subscription commitments in securities of the same kind issued by the same issuer, with certain exemptions. The same 30% cap applies to short positions, whether held directly or through derivative instruments. For details of the Underlying Fund's valuation guidelines, please refer to 6.3 of this PDS. For further details on the Underlying Fund's valuation, location and custody of assets, please refer to sections 6.3 and 8.3 of this PDS.	
Disclosure Principle 5: ***Liquidity*** *Whether investors are made aware of the fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.*	**The Fund** For the purposes of Disclosure Principle 5: Liquidity, pursuant to RG 240 and as of the date of this PDS, CIML, by investing all or substantially all of the Fund's assets in shares of the Underlying Fund, reasonably expects to realise at least 80% of its assets at their ascribed value in calculating the Underlying Fund's NAV, within 10 Calendar Days. For further details on the Fund's liquidity and CIML's investment policy in relation to the liquidity of the Underlying Fund, please refer to section 6.2 of this PDS. **Underlying Fund** For the purposes of Disclosure Principle 5: Liquidity, pursuant to RG 240 and as of the date of this PDS, the Underlying Fund invests all or substantially all of its assets in credit instruments, including emerging market debt, high yield bonds, bank loans (such as senior secured or leveraged loans), and other fixed income and credit-related securities that may be illiquid or subject to legal and other restrictions on resale. Despite this, the Underlying Fund reasonably expects to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Underlying Fund's Net Asset Value, within 10 days at their ascribed value in calculating the Underlying Fund's NAV. For further details of the Underlying Fund's liquidity, please refer to sections 6.3, 8.3 and 11.3 of this PDS.	6.3, 8.3 and 11.3

Disclosure Principle 6: ***Leverage*** *Whether investors are made aware of the maximum anticipated level of leverage of the fund (including leverage embedded in the assets of the fund.*	**The Fund** The Fund will not use leverage. For further details on the Fund's use of leverage and CIML's investment policy regarding the Fund's investments in the Underlying Fund, which may use leverage, please refer to section 6.2 of this PDS. **The Underlying Fund** The Underlying Fund does not employ leverage for investment return purposes and is not permitted to engage in margin borrowing but may incur temporary or emergency borrowings for liquidity management reasons, such as to meet redemption requests or settle securities transactions. While the Underlying Fund is not authorised to borrow for investment purposes, the Underlying Fund may employ both direct and embedded leverage through derivatives, repurchase arrangements, reverse repurchase transactions, and other contractual arrangements that give rise to leveraged exposures. The level of leverage incurred by the Fund is actively monitored and managed by the AIFM in accordance with the requirements under the European Union's Commission Delegated Regulation (EU) No 231/2013 ('**AIFMR**'), with a maximum expected level of gross leverage of 600% of the Underlying Fund's Net Asset Value and a lower expected leverage of approximately 350% of the Underlying Fund's Net Asset Value under the commitment method under AIFMR. The Underlying Fund's use of leverage may enhance investment outcomes but also significantly increases exposure to volatility and downside risk. All leveraged exposures are managed within the Underlying Fund's risk framework, and any borrowings may be secured, exposing the Underlying Fund's assets to counterparty or insolvency risk. For further details of the Underlying Fund's use of leverage, please refer to section 6.3 of this PDS.	6.2 and 6.3
Disclosure Principle 7: ***Derivatives*** *Whether investors are made aware of the purpose and types of derivatives used by the fund operator or investment manager, and the associated risks.*	**The Fund** The Fund will not trade derivatives of any kind. For further details on the Fund's use of derivatives and CIML's investment policy regarding the Fund's investments in the Underlying Fund, which may trade derivatives, please refer to section 6.2 of this PDS. **Underlying Fund** The Underlying Fund actively uses a broad range of derivative instruments, both exchange-traded and over-the-counter, for investment and hedging purposes. These include bond futures, interest rate swaps, credit default swaps, total return swaps, currency swaps, options on bonds or swaps, and deliverable or non-deliverable forward foreign exchange contracts, and structured transactions that replicate derivative-like exposures. Derivatives are employed to manage credit, interest rate, currency and duration risks, and to enhance portfolio construction. There is no cap on exposure to any single counterparty in respect of over-the-counter derivatives, which may increase counterparty risk. All OTC derivative transactions must comply with The European Market Infrastructure Regulation ('**EMIR**') requirements, including mandatory reporting obligations, bilateral risk management prerequisites, and under certain conditions, compulsory clearing obligations for specific classes of	6.2 and 6.3

	OTC derivatives, as well as a requirement to post margins for OTC derivatives contracts that are not subject to clearing. The Underlying Fund may be required to post collateral, which could impact its liquidity and may result in losses if counterparties default or if the Underlying Fund is required to liquidate assets at inopportune times. The Underlying Fund Investment Manager employs a comprehensive risk management framework that includes pre-trade and ongoing assessments of derivative exposures. For further details of the Underlying Fund's use of derivatives, please refer to section 6.3 of this PDS.	
Disclosure Principle 8: ***Short selling*** *Whether investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.*	**The Fund** The Fund will not engage in short selling. For further details on the Fund's use of short selling and CIML's investment policy regarding the Fund's investments in the Underlying Fund, which may engage in short selling, please refer to section 6.2 of this PDS. **Underlying Fund** The Underlying Fund does not engage in traditional short selling of securities but may establish synthetic short positions through derivative instruments, including futures, swaps and forward contracts. These positions are used to manage risk exposures to particular currencies, interest rates, sectors or broader market movements, or to take advantage of anticipated downward price movements in specific asset classes or risk factors. While such instruments offer risk management benefits, they also introduce risks, including potential losses if market movements are unfavourable, liquidity constraints, counterparty risk, and heightened volatility during periods of market stress. The Underlying Fund manages these exposures through a comprehensive risk framework encompassing pre-trade and ongoing assessments, daily monitoring, stress testing, and scenario-based simulations. Limits on position size and concentration, counterparty exposure and diversification help ensure risks remain aligned with the Underlying Fund's investment and risk objectives. Proprietary risk tools also enable daily oversight of short exposures across macroeconomic factors and sectors, supporting dynamic and disciplined portfolio management. For further details of the Underlying Fund's use of short selling, please refer to section 6.3 of this PDS.	6.2 and 6.3

Disclosure Principle 9: ***Withdrawals*** *Whether investors are made aware of the circumstances in which the issuer of the hedge fund allows withdrawals and how this might change.*	It is expected that CIML will generally process requests for redemption daily on each Business Day ('**Redemption Date**') following CIML's acceptance of a completed redemption request, where liquidity is available. Redemption requests are to be made in writing by completing a redemption form to be received, verified and accepted by the Fund Administrator by 12 noon (Sydney, New South Wales time) on a Business Day to receive the withdrawal amount calculated using the Unit price for the following Business Day. A redemption request received, verified and accepted after this cut-off will be deemed to be received, verified and accepted on the next Business Day and the withdrawal amount payable is calculated using the Unit price for that Business Day, subject to the withdrawal process described in section 11.3 of the PDS. Units are redeemed based on the Net Asset Value of the Fund referable to the Units prevailing at the time. As part of the redemption proceeds, Investors will receive their share of any net income of the Fund for the period of time during which their Units were issued in the relevant distribution period. These proceeds are included in the Unit price. Investors will also receive their share of the capital value of the Fund on redemption. Investors do not have a right to withdraw from the Fund. Under the Constitution, CIML has the discretion, but not the obligation, to offer Investors the opportunity to redeem their Units in the Fund from time to time, on such terms as CIML may determine. Any redemption facility is therefore subject to CIML's discretion and may be suspended, withdrawn or amended at any time. If a redemption request would result in an Investor's investment balance to be less than $100,000, CIML may treat the request as being for the Investor's entire investment. CIML will provide Investors with advance notice of any compulsory redemptions. The minimum balance does not apply to investments through an IDPS. Redemptions may be delayed, restricted or refused in part or in full under certain circumstances, including where a large single redemption would be prejudicial to other Investors, where asset sales cannot occur in the usual timeframe, or where the Fund lacks sufficient liquidity. If material changes to withdrawal rights occur (e.g. a suspension of withdrawal rights), CIML will ensure that such information is made available as soon as practicable via its website. If the Fund is deemed "illiquid" under the Corporations Act (i.e. holding less than 80% in liquid assets), redemptions will only be permitted under a regulated withdrawal offer in accordance with the Corporations Act, which CIML is not obligated to make. The definition of liquidity includes the ability to realise assets within 201 Calendar Days: comprising a 21-day processing period and up to 180 days of permitted suspension. On any Redemption Date, if the Fund does not have sufficient cash to meet all redemption requests, CIML will partially accept and process redemptions on a pro-rata basis across all redeeming Investors according to the amount of redemption requests relative to the amount of cash it reasonably considers is available to fund redemption requests on the relevant Redemption Date. Any redemptions rejected in either whole or in part on a Redemption Date will not be carried over to the next Redemption Date for processing and will be considered cancelled either in whole or part at the absolute discretion of CIML. A new redemption request will need to be submitted for the next Redemption Date.	8 and 11.3

CIML may use available cash or redeem shares in the Underlying Fund to meet redemption requests; however, the Underlying Fund will have limited liquidity, which may delay redemptions. Once CIML has decided to accept a redemption request (whether in whole or in part), CIML has up to 201 Calendar Days to effect the redemption request, although, under normal circumstances, it expects that the redemption request will be processed within 21 Calendar Days of the redemption request being accepted. Despite this expectation, redemptions may be delayed due to a number of factors that may delay the processing of redemptions, such as the inability of CIML to redeem the Fund's shares in the Underlying Fund or other operational or market-related issues.

In certain circumstances, CIML may suspend redemptions for up to 180 Calendar Days in accordance with the Constitution, including (without limitation) if it believes this is in the best interests of Investors or if it cannot realise all Fund assets in cash. Subject to CIML's rights and obligations, redemption proceeds are generally paid within 31 Calendar Days after the relevant Redemption Date. Redemption proceeds must be paid to a redeeming Investor within 10 Calendar Days following the redemption of their Units in the Fund.

For details of the Fund's redemptions, please refer to 11.3 of this PDS.

4. About CIML

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 (‘**CIML**’) is a trustee/responsible entity and manager of a number of managed investment schemes and is the issuer of this PDS. Channel Capital Pty Ltd ACN 162 591 568 (‘**Channel**’) provides investment management infrastructure and services across multiple asset classes and is the holding company of CIML. Channel is an authorised representative (authorised representative number 001274413) of CIML.

CIML is licensed under the Corporations Act to act as responsible entity of the Fund. CIML is responsible for managing the Fund in accordance with the Corporations Act and the Constitution. You can obtain a copy of the Constitution free of charge by contacting CIML and requesting a copy be made available to you.

CIML and its holding company, Channel, 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.

As at the date of this PDS there have been no adverse regulatory findings against CIML or any of its key officers or employees.

5. About Wellington

WHY WELLINGTON

Wellington aspires to excellence in all aspects of its operations in the service of clients and the pursuit of their investment objectives. Its approach is grounded in a balance of autonomy, collaboration, and integration - principles that shape its global investment platform and differentiate it within the investment management industry.

Autonomous

Wellington is autonomous by design. The firm operates as a privately held partnership, a structure that supports long-term thinking and facilitates alignment with its clients' best interests. The autonomy granted to its global network of investment teams allows for critical thinking at scale, free from the constraints often associated with publicly listed firms or short-term shareholder pressures. This autonomy enables its investment professionals to remain focused on the long-term success of the clients they serve.

Collaborative

Wellington fosters a collaborative investment culture. It believes that the most robust investment decisions arise from active debate, cross-disciplinary research, and shared insights. Investment professionals across asset classes, geographic regions, and investment disciplines are encouraged to challenge one another and exchange ideas. In a marketplace that is increasingly complex, uncertain, and interconnected, Wellington views collaboration not only as a cultural strength but as a repeatable competitive edge that can meaningfully contribute to client outcomes.

Integrated

Wellington has developed a globally integrated investment ecosystem. It comprises nearly 50 autonomous investment teams and over 900 investors, all operating within a single management framework. This structure enables Wellington to offer clients the benefits of specialist expertise while avoiding the fragmentation that can result from siloed operations. Its integrated platform combines capabilities across equities, fixed income, currencies, commodities, alternatives and private markets, as well as trading, data science and portfolio construction, ensuring that insights are leveraged across disciplines in the pursuit of superior investment outcomes.

FIXED INCOME AT WELLINGTON

Wellington has managed fixed income strategies since 1928, when it launched its first investment fund. Fixed income management remains a cornerstone of its business and is supported by a longstanding commitment to innovation, research, and a rigorous investment process. The firm's fixed income philosophy combines intellectual openness with team-based accountability and technology-enhanced decision-making, all within a risk-conscious framework.

A marketplace of Ideas Driving Investment Insight

Wellington's fixed income investment approach is grounded in the belief that diverse perspectives lead to stronger decisions. Its investment professionals participate in an open "marketplace of ideas", where they are encouraged to debate, share, and refine their thinking. The firm's research platform extends across macroeconomic, equity, credit, commodity, ESG, sovereign, and currency disciplines, drawing on a combination of fundamental, quantitative, and technical analysis.

High-Conviction Investment Team Backed by Rigorous Oversight

Wellington's fixed income capabilities are structured as a community of specialised teams. Each team operates as a distinct entity with the ability to incorporate unbounded investment views and the responsibility for the outcomes of the portfolios it manages. This structure ensures that investment professionals remain accountable, while also providing them with the flexibility to pursue a wide range of investment strategies tailored to specific client objectives.

Strategic Diversification for Consistent Return

Wellington actively promotes diversification of returns across its fixed income platform. This is achieved through the deliberate design and implementation of strategies with low correlation of active returns. By supporting multiple perspectives, investment styles, portfolio approaches, and time horizons, the firm seeks to deliver consistent performance and mitigate concentration risk in varying market environments. Wellington combines sophisticated quantitative tools with qualitative judgement to evaluate and manage portfolio risks. The firm's approach balances the pursuit of return with prudent risk oversight, aiming to protect capital in adverse conditions while capturing upside potential.

Innovative Technology Driving Portfolio and Risk Management

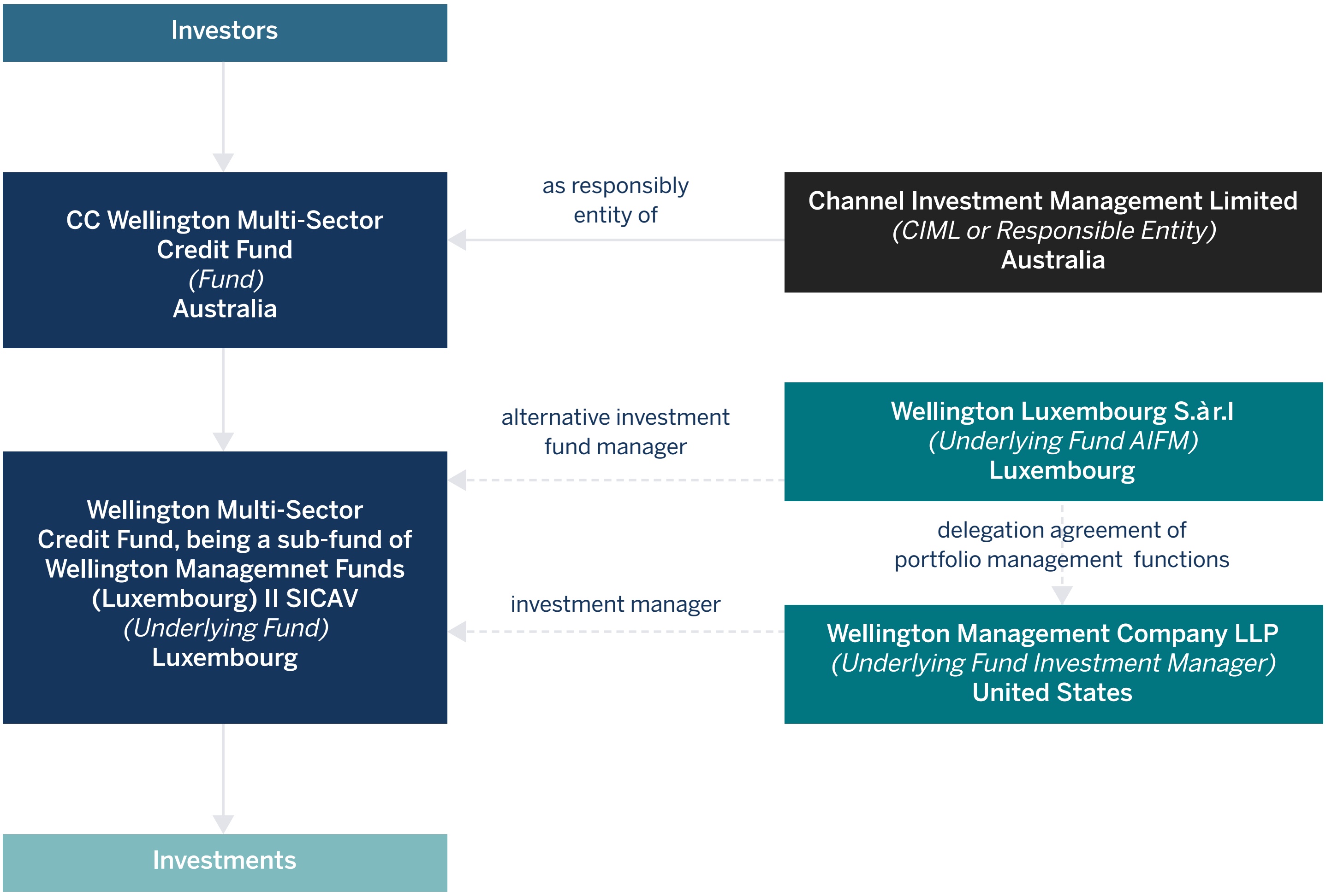
Wellington enhances its investment process through the deployment of proprietary technology leveraging advanced tools for portfolio construction, risk assessment, and liquidity monitoring. These technologies are continually refined to reflect changes in market dynamics, client needs, and regulatory requirements. By incorporating technological innovation into its investment framework, the firm seeks to improve decision-making and increase operational efficiency.

Leveraging its global investment capabilities, strong commitment to client alignment, and long-term perspective, Wellington offers the Underlying Fund access to a leading fixed income platform supported by proven investment expertise.

6. The Fund and Underlying Fund

6.1 Structure Diagram

Set out below is a diagram of the investment structure of the Fund and the Underlying Fund.



6.2 The Fund

ABOUT THE FUND

The Fund is an unlisted Australian unit trust registered with ASIC as a managed investment scheme under the Corporations Act. This PDS relates to Units of the Fund. The Fund primarily obtains its investment exposure by investing in an AUD-denominated share class of the Underlying Fund.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to provide Investors with long-term total returns by gaining indirect exposure to a broadly diversified portfolio of global credit investments through its investment in the Underlying Fund. To achieve this objective, the Fund will invest all, or substantially all, of its assets in class S shares of the Underlying Fund, being an AUD-denominated share class that provides access to a professionally managed portfolio of credit-focused assets. The Fund itself will not make direct investments in credit assets, but rather will gain exposure to such assets solely through its investment in the Underlying Fund. The Fund may retain a small portion of its assets in cash or cash equivalents for the purposes of meeting short-term operational needs, including liquidity management, transaction settlement, and payment of Fund expenses. The Fund does not intend to engage in short selling or utilise leverage or derivatives as part of its investment strategy. Accordingly, the execution of the Fund's investment strategy does not rely on any particular key individuals.

In selecting the Underlying Fund as the vehicle that the Fund will invest into, CIML has undertaken a comprehensive, multi-step due diligence process that has entailed an evaluation of the level of experience of the Underlying Fund's management team, risk management capabilities, investment philosophy and their strategy to determine if it aligns with the strategy of the Fund and operational infrastructure. Further, the due diligence process in the selection of the Underlying Fund has included a comprehensive review of the Underlying Fund's offering documents and investment guidelines to ensure compliance with the regulatory requirements and to ensure alignment with the Fund's objectives. The selection process of the Underlying Fund is guided by the Fund's investment strategy, which seeks to identify and invest in an underlying fund that has a robust risk management framework and an experienced management team.

The Fund applies CIML's risk management strategy which encompasses a comprehensive process for identifying, analysing, and evaluating risks to ensure effective management aligned with the Fund's investment objectives. Upon identifying a risk, CIML undertakes a detailed risk analysis to understand its complexity, evaluate existing control measures, determine the likelihood and potential consequences of the risk materialising, and assign a risk rating. Control measures are scrutinised to ensure they effectively lower the likelihood and impact of risks, with appropriate policies, procedures, or actions implemented as necessary. The likelihood of a risk materialising is assessed consistently across all business teams of CIML to avoid subjective biases, using a predefined likelihood rating system. Similarly, the potential consequences are evaluated to determine their impact on CIML, ensuring a uniform approach. Based on the outcomes of the risk analysis, risks are evaluated to decide the necessary treatments, their priorities, and the balance between potential benefits and adverse outcomes. This evaluation considers whether existing controls are sufficient or if additional measures are needed, especially for higher-rated risks. Risk treatment options include accepting, mitigating, transferring, or avoiding the risk, with the cost of managing risks weighed against the benefits of the investment or activity. Upon completing the risk assessment, CIML develops risk management plans recorded in its risk register, prioritising risks and allocating resources effectively.

The Fund has: (i) no specific diversification guidelines or limits; (ii) no policies on the geographic location of underlying funds, their managers or the geographic focus of their investing; and (iii) no policies to be applied in relation to the custodial arrangements of underlying funds.

The Fund may not be successful in achieving its investment objective. The investment objective or strategy may change from time to time. Should any material changes to the Fund's investment objective or strategy arise, the Fund's Investors will be duly notified in compliance with the provisions of the Corporations Act.

Allocation range of Fund's investments

The Fund is generally expected to invest over time within the allocation ranges set out below.

Asset Type	Allocation Range
Underlying Fund	95% - 100%
Cash & Cash Equivalents	0% - 5%

The above ranges are indicative only and are subject to change. In particular, inflows from subscriptions and outflows from redemptions may cause the amount of cash held by the Fund to be higher or lower than stated in the above indicative ranges.

LIQUIDITY

Since CIML invests all or substantially all of the Fund's assets in units of the Underlying Fund, CIML reasonably expects to realise at least 80% of its assets at the value ascribed to those assets in calculating the Underlying Fund's Net Asset Value, within 10 Calendar Days of the date that a value is ascribed to the asset. The Fund is expected to be a "liquid scheme", as defined in section 601KA of the Corporations Act, since it reasonably expects that the property of the Fund can be realised for its market value within the period specified in the Constitution for satisfying redemption requests, being a period of up to 201 days.

Despite this, Investors in the Fund do not have an absolute right to withdraw from the Fund. The discretion to accept or decline redemption requests lies with CIML (see "Withdrawal and LiquidityRisk" in Section 8).

In accordance with the Fund's risk management policies, regular monitoring of the liquidity of the Underlying Fund and the assets it invests in is required. This monitoring aims to ensure that the Underlying Fund continues to operate within the permitted investment parameters. To manage these liquidity risks, the Fund implements several measures. For instance, CIML continuously monitors its investment portfolio in the Underlying Fund and the liquidity profile of the Underlying Fund, adjusting its investment allocations as needed to maintain an appropriate level of liquidity. Moreover, CIML regularly reviews and conducts diligence on the Underlying Fund Investment Manager to assess and anticipate any potential liquidity constraints in the Underlying Fund. This ongoing diligence enables the Fund to respond proactively to any changes in the liquidity profile of the Underlying Fund and to adjust its investment strategy pertaining to the liquidity of the Underlying Fund accordingly.

LEVERAGE, DERIVATIVES, SHORT SELLING

The Fund will not engage in the use of leverage, enter into derivative contracts or partake in short selling.

As the Fund will primarily invest in the Underlying Fund, the Fund will implement its investment policy by relying on the investment policy of the Underlying Fund Investment Manager in respect of acceptable types of leverage, limits on leverage, derivatives and short selling that can be engaged by the Underlying Fund. The Underlying Fund AIFM is in charge of the risk management function of the Underlying Fund. CIML actively monitors the acceptable types of leverage, derivatives and short selling employed by the Underlying Fund ensuring these practices are consistent with the Fund's strategic investment objectives.

KEY SERVICE PROVIDERS

CIML has appointed Ernst & Young ('**Fund Auditor**') as the auditor of the Fund. The role of the Fund Auditor in respect of the Fund is to provide an opinion on whether the financial statements and compliance plan of the Fund is in accordance with the Corporations Act.

CIML has appointed Citibank N.A. Hong Kong Branch ('**Fund Custodian**') to provide custodial services to the Fund. The Fund Custodian is responsible for holding the Fund's assets and, among other things, arranging for settlement of sales and purchases of assets. In accordance with Australian regulatory requirements, including but not limited to the relevant standards for custodial agreements, the Fund Custodian ensures the safekeeping of assets, proper segregation, accurate record-keeping, and timely reporting. The Fund's custodial arrangements comply with the applicable legal and regulatory obligations to safeguard investor interests and maintain the integrity and security of the Fund's assets.

From time to time, CIML under its Australian financial services licence may hold the non-cash assets of the Fund itself. CIML has policies and procedures in place to ensure that this is managed to the minimum standards for holding scheme assets as prescribed in section 601FCAA of the Corporations Act, as amended by ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16.

The Fund Administrator has been appointed as the administrator and registrar of the Fund. The Fund Administrator provides fund administration services including independent unit pricing, administration and registry services, and some accounting services for the Fund.

Monitoring, due diligence and related party relationships

To protect the Fund and its Investors, CIML will implement measures to ensure that all of the Fund's key service providers, including but not limited to, the Fund Custodian, the Fund Administrator and the Fund Auditor comply with their respective service agreement obligations. CIML has a comprehensive monitoring and reporting framework, which involves regular performance assessments, ongoing communication, and prompt resolutions of any issues that may arise. In the event that a service provider fails to meet their contractual obligations or not meet the requisite performance standards, CIML will take appropriate remedial actions, which may include the termination of the service agreement. CIML's supervision of service providers aims to ensure that the Fund's operations are conducted in an efficient, compliant, and transparent manner which ultimately protects the interests of the Fund and its Investors.

CIML performs comprehensive due diligence on the key service providers of the Fund, including but not limited to, the Fund Custodian, the Fund Administrator, and the Fund Auditor to ensure that the Fund's assets and the interests of Investors in the Fund are protected. This procedure commences with a thorough examination of, where appropriate, each service provider's financial position, industry reputation and historical performance. Further, CIML will assess each of the Fund's service providers' operational frameworks, including system for risk management, reporting, and compliance to determine their ability to meet the Fund's requirement and maintain high standards of performance. As part of CIML's operational due diligence on the Underlying Fund Investment Manager, CIML has assessed and will seek to rely on the Underlying Fund Investment Manager's robust due diligence process that is performed on all of the Underlying Fund's key service providers. CIML will periodically review and update its due diligence process to take into consideration any changes in the Fund's strategy, regulatory environment, or market conditions. CIML will also carefully examine the qualifications and expertise of the personnel responsible for managing the Underlying Fund, as well as assess their compliance with internal policies, procedures, and regulatory requirements.

There are no related party relationships between CIML, the Underlying Fund and the Fund's or the Underlying Fund's service providers, except for the service provider relationship between Wellington, an affiliate of the Underlying Fund Investment Manager, and the Underlying Fund, as set out below in Section 6.3 under the heading "Related party relationships". All material arrangements in connection with the Fund are entered into on arm's length terms. CIML considers that any fees payable under related party arrangements represent reasonable remuneration, having regard to the nature of the services provided, and are consistent with CIML's policies and procedures for managing conflicts of interest and related party transactions. These arrangements are subject to oversight to ensure they continue to be appropriate and in the best interests of Investors.

6.3 Underlying Fund

ABOUT THE UNDERLYING FUND

The Underlying Fund is a sub-fund of the Wellington Management Funds (Luxembourg) II SICAV. The Wellington Management Funds (Luxembourg) II SICAV is a Luxembourg investment company with variable capital (*société d investissement à capital variable*), organised in the form of a public limited company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, to provide investors with access to private markets strategies.

The Underlying Fund has a number of classes of shares on issue. As at the date of this PDS, CIML intends to invest in the AUD-denominated distributing share class (the S share class) of the Underlying Fund to pursue the Fund's investment objective. Proceeds of the S share class of the Underlying Fund are typically distributed from the Underlying Fund on a quarterly basis. Subject to the law and the terms of the Underlying Fund share class, the Underlying Fund Investment Manager expects the Underlying Fund to pay quarterly cash distributions, as determined by the Underlying Fund Investment Manager in its sole discretion. Any distributions that the Underlying Fund makes will, however, be at the discretion of the Underlying Fund Investment Manager taking into consideration such factors as it deems appropriate, including earnings, cash flow, capital needs and general financial condition and the requirements of Luxembourg law. As a result, the Underlying Fund's distribution rates and payment frequency are expected to vary from quarter-to-quarter and there can be no guarantee that any distributions will be made in respect of any given quarter.

INVESTMENT OBJECTIVE AND STRATEGY

The Underlying Fund is actively managed with the aim of delivering long-term total returns through exposure to a broadly diversified portfolio of global credit instruments through its investment in the Underlying Fund. In pursuing its investment objective, the Underlying Fund primarily targets high-yielding segments of the global credit markets. This includes investments in emerging market debt, high yield debt, and bank loans (also referred to as senior floating rate or leveraged loans). In addition, the Underlying Fund may invest in other credit obligations identified through the Underlying Fund Investment Manager's proprietary credit research process and assessed as consistent with the Underlying Fund's investment objectives. Exposure to bank loans is typically obtained via assignment of credit agreements, with limited exposure via participations.

The Underlying Fund's investment strategy is intended to produce investment returns by identifying and capitalising on credit instruments that offer attractive yields relative to their risk profiles, as determined through the Underlying Fund Investment Manager's fundamental credit analysis and risk-adjusted return assessments. The strategy reflects the belief that the key drivers of credit sector returns (i.e., cycle risk, credit risk and liquidity risk) are frequently subject to pricing inefficiencies. These inefficiencies are sustained by structural barriers to investor understanding, including complexity in credit structures, opaque or difficult-to-value collateral, behavioural biases, and regulatory, operational or benchmark constraints. Although valuations are expected to converge to fundamental value over time, these factors may cause prolonged divergence from intrinsic value, particularly in less efficient segments of the multi-sector credit market.

The Underlying Fund seeks to exploit these inefficiencies by triangulating insights from multiple sources: top-down macroeconomic perspectives, bottom-up analysis of sectors and individual securities, and systematic analysis of historical data. Its investment process integrates a specialist-driven fundamental research platform with a sector-relative value framework and rigorous quantitative modelling. By combining these inputs, the Underlying Fund Investment Manager seeks to identify underappreciated opportunities and enhance risk-adjusted returns. The strategy is designed to improve portfolio diversification by investing across multiple segments of the global credit markets, thereby mitigating issuer- or sector-specific risks and enabling exposure to a broad range of return drivers. In addition, the use of bank loan assignments provides the Underlying Fund with access to floating rate instruments, which may offer a degree of protection in rising interest rate environments and support more stable income generation over time.

The investment objective or strategy may change from time to time. Should any material changes to the Underlying Fund's investment objective or strategy arise, Investors will be duly notified in compliance with the provisions of the Corporations Act.

Investment allocations and restrictions

The Underlying Fund's investment strategy reflects a flexible and opportunistic approach to credit investing, spanning a wide range of currencies, sectors, geographies, credit qualities and instrument types. Subject to the below, the Underlying Fund does not have an allocation range or threshold assigned for its investments.

The Underlying Fund's permitted investments encompass a wide spectrum of fixed income and credit-related instruments issued by corporate, governmental (including municipal and agency), and supranational issuers across global markets. These may include, among others, fixed and floating rate bonds, bank loans, asset-backed securities (ABS), collateralised debt obligations (CDOs), mortgage-backed securities (including collateralised mortgage obligations and commercial mortgage-backed securities), collateralised loan obligations (CLOs), inflation-linked bonds, credit-linked notes, structured notes, preferred securities, convertible bonds, real estate investment trust (REIT) debt, and fixed income exchange-traded funds (ETFs). The Underlying Fund may also invest in equity and equity-related securities (including common stock, preferred stock, and securities convertible into or exchangeable for equity securities) in connection with restructurings or workouts of fixed income positions. These equity instruments may be publicly or privately issued.

The Underlying Fund may invest in securities denominated in currencies other than USD, including unsecured and subordinated debt instruments, and contingent capital securities.

A portion of the Underlying Fund's assets may be allocated to commingled pooled investment vehicles managed by the Underlying Fund Investment Manager or its affiliates, where such investments are deemed consistent with the Underlying Fund's investment objective. Where the Underlying Fund invests in exchange-traded funds or other third-party managed commingled vehicles, it may be subject to additional management fees, performance fees, and operating expenses at the level of those vehicles. The Underlying Fund may invest up to 10% of its net assets in securities traded via China's Bond Connect program, and up to 5% of its net assets in non-listed and non-traded collective investment schemes.

The average portfolio duration of the Underlying Fund is expected to range between two to six years. There are no formal restrictions on the credit quality of individual holdings, and the portfolio may include securities rated below investment grade or unrated securities. The average credit quality of the portfolio is expected to be B- or higher, although it may vary over time depending on market conditions and investment opportunities. In cases of split credit ratings, the highest rating from Moody's, S&P or Fitch will be used, or where a security is unrated, an internal equivalent rating determined by the Underlying Fund Investment Manager may be applied.

Active currency management is employed, with the Underlying Fund permitted to take currency exposures – whether related or unrelated to underlying bond or cash positions – on an opportunistic basis. The Underlying Fund is denominated in United States dollar, however the Underlying Fund or individual classes of the Underlying Fund may be denominated in different currencies, including for example the class of shares that the Fund intends to invest into, which is denominated in AUD.

Diversification guidelines and limits

As a Luxembourg specialised investment fund, the Underlying Fund is subject to specific risk-spreading obligations. It may not, in principle, invest more than 30% of its assets or of its subscription commitments in securities of the same kind issued by the same issuer. This limit does not apply to securities issued or guaranteed by an Organisation for Economic Co-operation and Development member state or its local authorities, or by supranational institutions and bodies of a European, regional, or international character.

Where the Underlying Fund invests in umbrella-style target funds, each sub-fund is treated as a separate issuer for the purposes of diversification limits, provided the sub-fund's liabilities are legally segregated. The same 30% cap applies to short positions, whether held directly or through derivative instruments. In using derivatives, the Underlying Fund must also ensure risk-spreading equivalent to that required for direct investments, including appropriate diversification of underlying reference assets and limitation of counterparty exposures.

KEY INDIVIDUALS IMPLEMENTING THE INVESTMENT STRATEGIES OF THE UNDERLYING FUND

Please see below the biographies of the key individuals implementing the investment strategies for the Underlying Fund. They collectively devote a sufficient amount of time to managing the Underlying Fund so that it can carry out its proposed activities.

The lead portfolio managers on the Underlying Fund are based in Wellington's Boston, Massachusetts global headquarters. Campe Goodman is ultimately responsible for investment and risk management decisions in the Underlying Fund. The following individuals are responsible for setting top-down strategy:

Name	Function	Specialty	Title	Degree	Prof Exp	WMC Exp
Campe Goodman, CFA	Fixed Income Portfolio Manager	Sector Rotation	SMD	AB	26	24
Joseph F. Marvan, CFA	Fixed Income Portfolio Manager	Broad Markets	SMD	MBA	37	21
Robert D. Burn, CFA	Fixed Income Portfolio Manager	Sector Rotation	SMD	MBA	24	17

Note: Unless othewise noted, years of experience are based on data as of 31 December 2024. Years of experience for groups are averages.

Campe Goodman has managed Wellington's multi-sector credit approach since its inception in 2012, has been with Wellington since 2000 and is a partner of the firm. Campe has spent his entire career at Wellington as a sector rotation specialist. This reflects Wellington's belief that the process of sector rotation in and of itself requires specialised expertise in the same way as bottom-up security selection within a given sector. Wellington believes that this helps it avoid persistent sector biases (e.g., to high yield, mortgages, etc.) that could be more likely to arise if the lead portfolio manager had spent a career as a sector specialist before transitioning to multi-sector investing.

Rob Burn has been with Wellington since 2007 and is a partner of the firm. Rob brings a deep quantitative focus on risk management to multi-sector credit portfolios. He maintains a variety of models that examine sector relative value and attempt to forecast likely return scenarios given characteristics that tend to be reliable indicators of forward-looking performance. Rob has also been the architect of many of the risk management models that the team uses daily to understand the contribution of different sector specialists' active strategies to overall active risk of portfolios, and to attribute performance over time to these different strategies. These quantitative tools are an important input into the team's overall setting of risk levels. Additionally, Rob implements various tactical credit strategies, based on the "signals" on credit valuations generated by these models.

Joe Marvan has been at Wellington since 2003 and is a partner of the firm. Joe helps set aggregate risk levels and investment strategy across multi-sector credit portfolios. Joe brings thirty years of professional investment experience to bear in contributing the top-down investment strategy in multi-sector credit portfolios. In addition to his contributions on Wellington's multi-sector credit portfolios, Joe manages Wellington's core bond, core bond plus, and intermediate bond portfolios on behalf of clients.

VALUATION POLICY

The Net Asset Value of the Underlying Fund is calculated by the appointed administration agent, State Street Bank International GmbH, Luxembourg Branch, in accordance with valuation policies prescribed under the AIFMD and as implemented by the Underlying Fund AIFM. The Net Asset Value is determined on each valuation day by reference to the fair value of the Underlying Fund's assets, including accrued income, less liabilities and provisions for expenses. The Net Asset Value per share for each class of the Underlying Fund is calculated by dividing the total net assets attributable to the class by the number of shares on issue, and is expressed in United States dollars. For share classes denominated in a currency other than United States dollars, the Underlying Fund's Net Asset Value is converted using the last available mean exchange rate at 4:00 p.m. U.K. time.

Assets listed or traded on regulated markets are generally valued at the latest available closing price. Non-quoted or illiquid assets, or those for which market prices are unavailable or unreliable, are valued by the Underlying Fund AIFM in good faith based on observable inputs, expected realisation values, or recognised valuation methodologies. Investments in underlying funds are generally valued at the most recent official or estimated redemption price published by the relevant underlying fund, unless the Underlying

Fund AIFM reasonably determines that such price does not reflect fair value. Where applicable, money market instruments may be valued on an amortised cost basis.

The Underlying Fund AIFM retains the authority to override standard valuation procedures in cases where those methodologies are impracticable or inappropriate, including during extraordinary events or in response to extensive redemption activity. In such cases, valuations may be cancelled and replaced, or may reflect actual execution prices achieved in the disposal of assets. All such valuations are performed in good faith and in accordance with accepted valuation principles and regulatory standards.

Underlying Fund Swing Pricing Mechanism

The Underlying Fund AIFM also has the discretion to apply a partial swing pricing mechanism to its Net Asset Value on any given valuation day to mitigate the potential for dilution of value arising from investor trading activity ('**Underlying Fund Swing Pricing Mechanism**'). When Investors subscribe to or redeem from the Underlying Fund, transaction and market impact costs are incurred as the Underlying Fund Investment Manager adjusts the Underlying Fund's holdings to accommodate such flows. These costs may adversely affect remaining Investors if they are not appropriately attributed to those whose transactions give rise to them. To address this, the Underlying Fund AIFM may adjust the Underlying Fund's Net Asset Value upwards or downwards on a valuation day if net transactions exceed a predetermined threshold set by the Underlying Fund AIFM from time to time.

Where there are significant net inflows, the Net Asset Value may be adjusted upwards, resulting in a higher purchase price for subscribing Investors in the Underlying Fund. Conversely, in the event of significant net outflows, the Net Asset Value may be adjusted downwards, lowering the redemption price for outgoing Investors in the Underlying Fund. The adjustment, known as the swing factor, is designed to reflect the anticipated dealing costs, bid-offer spreads, transaction taxes, and, where relevant, the impact of illiquid securities that may not be capable of being realised at the time of redemption. Illiquid positions may be reflected as a valuation reserve and may result in redeeming Investors of the Underlying Fund receiving no value for such holdings, even where the securities may ultimately recover value.

Under normal market conditions, the swing factor is capped at 5% of the Underlying Fund's Net Asset Value. However, in exceptional circumstances such as periods of heightened market volatility or trading disruption, the Underlying Fund AIFM may temporarily apply a higher swing factor, provided that investors are appropriately notified in accordance with the Underlying Fund's shareholder communication procedures. The swing pricing policy is applied uniformly and is not tailored to the circumstances of any individual investor transaction. The thresholds and adjustment levels are reviewed quarterly by a swing pricing governance group within Wellington, which has discretion to make intra-quarter amendments in response to market developments. This governance group reports directly to the board of managers of the Underlying Fund AIFM.

The swing pricing mechanism is designed to protect the interests of all shareholders and to allocate trading costs more equitably. While it does not eliminate transaction costs, it ensures that the impact of significant net investor activity is borne more directly by those causing the activity, rather than by the Underlying Fund as a whole. The proceeds from this Underlying Fund Swing Pricing Mechanism predominantly benefits the Underlying Fund.

If the Underlying Fund levies the Underlying Fund Swing Pricing Mechanism, the Fund may, at the sole and absolute discretion of CIML, levy a buy/sell spread on the Investors investing/redeeming units in the Fund.

LIQUIDITY

The Underlying Fund invests all or substantially all of its assets in credit instruments, including emerging market debt, high yield bonds, bank loans (such as senior secured or leveraged loans), and other fixed income and credit-related securities that may be illiquid or subject to legal and other restrictions on resale. Despite this, the Underlying Fund reasonably expects to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Underlying Fund's Net Asset Value, within 10 days. The Underlying Fund AIFM maintains a liquidity risk management process to monitor the liquidity risk of the Underlying Fund, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. The Underlying Fund AIFM will comply with the European Securities and Markets Authority Guidelines, ESMA34-39897, on liquidity stress testing.

LEVERAGE

The Underlying Fund does not employ leverage for investment return purposes and is not permitted to engage in margin borrowing. However, the Underlying Fund may incur temporary or emergency borrowings for liquidity management reasons, such as to meet redemption requests or settle securities transactions. Any such borrowings are limited in duration and scope, and are not intended to contribute to the generation of investment returns.

Under the AIFMD, leverage is defined broadly to include any method by which exposure of the Underlying Fund is increased, whether through the borrowing of cash or securities, the use of derivatives (including embedded leverage), or other non-fully funded exposures. While the Underlying Fund is not authorised to borrow for investment purposes, it may incur leverage through derivatives, repurchase agreements, reverse repurchase transactions, and other contractual arrangements that give rise to leveraged exposures. These instruments may be entered into on a secured or unsecured basis, and may be collateralised or uncollateralised depending on the requirements of the relevant counterparty or lender.

The level of leverage incurred by the Fund is actively monitored and managed by the AIFM in accordance with the requirements under the AIFMR. The maximum expected level of gross leverage is 600% of the Underlying Fund's Net Asset Value. This figure is calculated using the gross method prescribed under the AIFMR, which involves aggregating the absolute value of all positions, including the full notional exposure of derivatives and hedging instruments. The gross leverage figure also incorporates exposures related to currency hedging activities at the share class level, including both the notional value of hedges and an allowance for derivative rollovers.

Consequently, the maximum permitted level of leverage represents up to six times the Net Asset Value of an investor's capital in the Underlying Fund. For example, if an investor has $1 invested, the Underlying Fund may be exposed to up to $6 of gross investment exposure through the use of leverage.

It should be noted that the gross leverage figure may not reflect the Underlying Fund's actual economic risk exposure, particularly in cases where derivative positions are used for hedging or are offset by equal and opposite trades. When measured using the commitment method under the AIFMR, which accounts for netting and hedging arrangements, the expected leverage of the Underlying Fund is generally lower and is estimated to be approximately 350% of the Underlying Fund's Net Asset Value. The use of derivatives and other instruments that give rise to leverage is subject to the Underlying Fund's broader risk management framework, including controls on counterparty exposure and adherence to the Underlying Fund's investment strategy and risk profile.

Leverage may be obtained through a variety of sources including secured or unsecured credit facilities, margin arrangements and other debt instruments. The borrowings are generally provided by major financial institutions, investment banks and credit providers that may be prudentially regulated. The Underlying Fund may pledge some or all of its assets as collateral for such borrowings, and the assets of the Underlying Fund (including indirectly held assets) may therefore be subject to security interests or exposed to set-off rights or claims by lenders in the event of the insolvency of the Underlying Fund, the credit provider, or a counterparty.

Worked example of the Underlying Fund's use of leverage

To illustrate the impact of leverage on investment returns and losses, consider the following example using the gross method of calculation. Unlike the commitment method, the gross method does not apply adjustments for hedging or netting arrangements, thereby resulting in a higher reported level of leverage.

Assume the Underlying Fund has $100 million in net assets and employs leverage such that its total gross investment exposure is $600 million. This implies the use of $500 million in borrowings alongside the $100 million in investor equity.

- **Scenario 1 – Positive Market Return:** If the Underlying Fund's assets increase in value by 10%, the total investment gain would be $60 million (10% of $600 million). Assuming the cost of borrowing is 5%, the interest expense on the $500 million of borrowings would be $25 million. The net profit would therefore be $35 million ($60 million gain minus $25 million interest), representing a 35% return on the $100 million of equity capital. In comparison, if no leverage were used, a 10% return on $100 million would result in a $10 million gain. Leverage has therefore more than tripled the return on equity from 10% to 35%.
- **Scenario 2 – Negative Market Return:** If the Underlying Fund's assets decline in value by 10%, the total investment loss would be $60 million. The borrowing cost remains $25 million, resulting in a total net loss of $85 million. This equates to an 85% loss on the $100 million of equity capital. Without leverage, a 10% market decline would result in only a $10 million loss. Thus, leverage has significantly amplified the loss on equity from 10% to 85%.

These examples demonstrate the magnifying effect of leverage on both returns and losses. While leverage may be used to enhance investment outcomes, it significantly increases the Underlying Fund's exposure to market volatility and downside risk. Investors should be aware that adverse movements in the market or in interest rates may have a disproportionate negative impact on returns when leverage is employed.

DERIVATIVES

The Underlying Fund employs a wide range of derivative instruments for both hedging and investment purposes. Permitted instruments include exchange-traded and over-the-counter derivatives such as bond futures, interest rate swaps, credit default swaps, total return swaps, currency swaps, options on bonds or swaps, and deliverable or non-deliverable forward foreign exchange contracts. Derivatives may be used to manage duration, credit exposure, yield curve positioning, currency risk and interest rate risk, and may also be used to enhance portfolio construction and operational efficiency.

In certain instances, the Underlying Fund may enter into structured transactions that replicate derivative-like exposures, such as combining a bond sale with a reverse repurchase (buy-sell back) arrangement to simulate a forward contract. These activities are designed to support active portfolio management and to facilitate tactical exposures in response to market conditions.

Where derivative instruments are used, the Underlying Fund must ensure that the resulting exposures remain appropriately diversified and consistent with applicable Luxembourg regulatory standards. Counterparty risk relating to OTC derivatives is managed in accordance with internal credit quality assessments and regulatory limits. For further information on counterparty risk and other key risks, please refer to section 8 of this PDS.

There is no limit on the exposure that may be incurred to any single counterparty with over-the-counter derivative instruments, exchange-listed securities, options, or other similar transactions. As a result, if any counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to the Underlying Fund would be greater than if such limits were imposed. Furthermore, the Underlying Fund is permitted to engage in OTC derivative transactions with counterparties (including principal protection providers) so long as these transactions are conducted in compliance with the EMIR, as amended, along with any delegated or implementing regulations associated with it. The EMIR sets out specific requirements for counterparties in OTC derivatives contracts. These requirements include, but are not limited to, mandatory reporting obligations, bilateral risk management prerequisites, and under certain conditions, compulsory clearing obligations for specific classes of OTC derivatives, as well as a requirement to post margins for OTC derivatives contracts that are not subject to clearing.

A key risk associated with the use of derivatives by the Underlying Fund is the collateral requirements imposed by derivative counterparties. The need to post collateral can result in significant cash outflows, potentially impacting the liquidity of the Underlying Fund, as applicable. If the Underlying Fund is required to post substantial collateral, it may need to liquidate assets at inopportune times, potentially leading to losses. Moreover, if a counterparty defaults, the posted collateral might not be fully recovered, leading to additional financial losses. Further information on derivatives risk, including collateral and counterparty risks, is set out in section 8 of this PDS.

SHORT SELLING

The Underlying Fund does not engage in traditional short selling of individual securities. However, it may establish short positions in derivative instruments, such as futures, swaps or forward contracts, for hedging purposes or to implement tactical views. These synthetic short positions are used to manage risk exposures to particular currencies, interest rates, sectors or broader market movements, or to take advantage of anticipated downward price movements in specific asset classes or risk factors. Such derivative-based short positions are subject to the same diversification and counterparty risk constraints as the Underlying Fund's other investments. There is no maximum limit on the level of short selling the Underlying Fund may undertake through its use of derivatives. The extent of such short positions may vary over time depending on market conditions, investment strategy and risk management considerations. Investors should be aware that short selling can magnify both gains and losses and may increase the overall risk profile of the Fund.

The key risks associated with derivative-based short positions include the potential for losses if the underlying asset or reference index increases in value rather than decreases, which could result in the Underlying Fund having to settle the derivative contract at a loss. In certain circumstances, particularly during periods of market volatility or dislocation, these losses may be significant. There is also a risk that the Underlying Fund may be unable to close out a derivative position at a favourable price or time, which may further exacerbate losses. In addition, the use of derivatives exposes the Underlying Fund to counterparty credit risk, operational risk, liquidity risk, and the risk that market conditions may lead to unexpected correlations between asset classes, reducing the effectiveness of hedging strategies. Further information on risks associated with short selling and derivative instruments is set out in section 8 of this PDS.

To manage these risks, the Underlying Fund Investment Manager employs a comprehensive risk management framework that includes pre-trade and ongoing assessments of derivative exposures, daily monitoring of net and gross exposures, and the implementation of portfolio limits designed to avoid excessive concentration or counterparty risk. This framework operates as a continuous loop encompassing three phases: allocation, evaluation and monitoring. Risk allocation decisions are guided by a review of the prevailing market environment, the Underlying Fund's return objectives, and an assessment of the appropriate long-term risk budget. Risk is then allocated to individual strategies or sector specialists based on expected return profiles, volatility, and correlation across the portfolio.

The risk evaluation phase involves detailed scenario analysis and sensitivity testing, including projected volatility and exposure to credit spread changes, particularly in high yield markets. The Underlying Fund Investment Manager applies a proprietary risk analysis methodology to assess the expected performance and downside risk of each derivative position, with a focus on short positions, which includes stress testing and scenario-based simulations. Risk monitoring includes ongoing attribution analysis at both the strategy and holdings level, helping to identify performance deviations from expectations and closing the feedback loop. This monitoring process has previously led to proactive adjustments to portfolio exposures, such as a substantial reduction in emerging market sovereign risk in early 2018.

To enforce discipline in the management of downside risk, Wellington's multi-sector credit team also applies a framework of short and long-term loss thresholds. These thresholds are designed to limit both rapid drawdowns and longer-duration underperformance, while still allowing portfolio managers to maintain conviction in their positions. Active positions are subject to continuous profit-and-loss monitoring, and positions may be reduced or closed before thresholds are breached, although the presence of a hard threshold ensures a structured re-evaluation of the investment thesis.

Derivative counterparties are subject to rigorous creditworthiness assessments, and collateral arrangements are maintained in accordance with applicable regulatory requirements and industry best practices. The Underlying Fund also complies with internal portfolio guidelines that limit the size and concentration of short positions to ensure that such exposures remain proportionate, diversified, and aligned with the Underlying Fund's investment and risk objectives.

Supplementing Wellington's firm-wide investment risk systems, the Wellington's multi-sector credit team has developed proprietary risk tools tailored to its strategy. These tools allow for daily monitoring of risk contributions by sector allocation and exposures to common macroeconomic factors, such as oil prices and interest rates, providing the Underlying Fund Investment Manager with a holistic and real-time view of portfolio risk. These insights support dynamic position sizing and the use of instruments such as credit default swap indices (e.g., CDX) to manage top-level risk in a targeted and efficient manner.

Short selling example

For example, suppose the Underlying Fund decides to hedge its exposure to the USD by entering into a currency forward contract that synthetically creates a short position in USD 1,000,000 at an exchange rate of 0.75 USD/AUD. This means the Underlying Fund expects the USD to depreciate against the AUD. If the exchange rate subsequently moves to 0.70 USD/AUD, the value of the derivative contract would move in favour of the Underlying Fund, resulting in a notional gain. The calculation would be as follows:

Initial notional exposure: USD 1,000,000 / 0.75 = AUD 1,333,333.33

New notional exposure: USD 1,000,000 / 0.70 = AUD 1,428,571.43

Notional gain: AUD 1,428,571.43 - AUD 1,333,333.33 = AUD 95,238.10

In this scenario, the Underlying Fund would realise a gain of AUD 95,238.10 from the derivative-based short position due to the depreciation of the USD against the AUD.

Conversely, if the exchange rate moves to 0.80 USD/AUD, the value of the short position embedded in the derivative contract would move against the Underlying Fund, resulting in a notional loss. The calculation would be as follows:

Initial notional exposure: USD 1,000,000 / 0.75 = AUD 1,333,333.33

New notional exposure: USD 1,000,000 / 0.80 = AUD 1,250,000

Notional loss: AUD 1,333,333.33 - AUD 1,250,000 = AUD 83,333.33

In this case, the Underlying Fund would incur a loss of AUD 83,333.33 due to the appreciation of the USD against the AUD.

These types of short positions are implemented using derivative instruments rather than through the sale of physical securities, and are undertaken either to hedge currency or market risks or to express tactical investment views, in accordance with the Underlying Fund's risk management and regulatory constraints.

RISK MANAGEMENT STRATEGY

The Underlying Fund is managed in accordance with a comprehensive risk management framework maintained by the Underlying Fund AIFM. The Underlying Fund AIFM's risk management function operates as a permanent and independent function that is both hierarchically and functionally segregated from the portfolio management and other operational functions of the Underlying Fund AIFM. This structure is designed to ensure appropriate oversight, objectivity and accountability in the ongoing assessment, mitigation and reporting of risks associated with the Underlying Fund's investment activities.

The risk management function has direct access to the Underlying Fund AIFM's senior management and the Underlying Fund AIFM's board of directors, and is vested with the authority and necessary access to relevant portfolio and operational data to enable it to develop, propose and maintain policies and procedures that are appropriate for managing the full spectrum of risks to which the Underlying Fund may be exposed to. These policies and procedures are aligned to those of the wider Wellington group and are subject to regular review and adaptation to reflect changes in market conditions, regulatory expectations, and fund-specific investment strategies.

Risk identification and risk profiling occur prior to the launch of the Underlying Fund. In the case of the Underlying Fund, the risk management function has conducted a detailed review of its investment strategy in conjunction with other Wellington teams to define and document its risk profile. This includes setting quantitative limits for key risk measures such as market risk, liquidity risk, credit risk and counterparty risk. The risk profile is validated against existing systems and risk infrastructure to ensure that it can be effectively monitored and managed using current tools. Where necessary, enhancements are made to the systems or procedures to ensure continued fitness for purpose.

The risk profile of the Underlying Fund is not static and is subject to review on a periodic basis, as well as in response to material changes to the Underlying Fund's investment objectives, policies or instruments used. Where a change in the risk profile is proposed, this is assessed against the current risk systems and processes, and the risk management framework is updated accordingly.

Ongoing risk monitoring is conducted on a continuous basis. The permanent risk management function receives regular reporting that captures the Underlying Fund's exposure to applicable risks, including but not limited to, market, liquidity, credit and counterparty risks. The Underlying Fund is subject to pre-established quantitative risk limits for each of these categories, and compliance with those limits is monitored by the risk team on an ongoing basis. In addition to quantitative oversight, qualitative reviews are also undertaken at regular intervals to assess the ongoing appropriateness of the underlying risk management processes and controls.

Risk reporting occurs at multiple levels within the Underlying Fund AIFM's governance structure. Detailed monthly risk reports are provided to the conducting officers of the Underlying Fund AIFM, with quarterly reports submitted to the board. These reports include commentary on the Underlying Fund's current risk exposures relative to its approved risk profile and limits, and may also include broader trend analysis or other topics deemed relevant to the board's oversight responsibilities.

Finally, the Underlying Fund AIFM undertakes regular reviews of its risk management framework, including the effectiveness of the permanent risk management function, its systems, and its policies and procedures. These reviews are designed to ensure the framework continues to support the risk management function in effectively identifying, measuring, monitoring, managing and reporting on all risks relevant to the Underlying Fund in a manner consistent with applicable regulatory obligations and the investment manager's fiduciary duties.

KEY SERVICE PROVIDERS

Underlying Fund AIFM

Wellington Luxembourg S.à r.l. ('**Underlying Fund AIFM**') has been appointed as the Wellington Management Funds (Luxembourg) II SICAV's external alternative investment fund manager in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions in relation to the Wellington Management Funds (Luxembourg) II SICAV. It has been appointed as the external alternative investment fund manager of Wellington Management Funds (Luxembourg) II SICAV pursuant to an Alternative Investment Fund Management Agreement effective 28 November

2016. This agreement, as may be amended from time to time, may be terminated by either party with three months' prior written notice. The Underlying Fund AIFM has delegated portfolio management of the Underlying Fund's assets to the Underlying Fund Investment Manager. Additional functions may also be performed by the Underlying Fund AIFM as agreed from time to time with the Underlying Fund's board of directors.

As at the date of this PDS, there have been no adverse regulatory findings against the Underlying Fund AIFM or any of its key officers or employees.

Underlying Fund Investment Manager

Wellington Management Company LLP ('**Underlying Fund Investment Manager**') has been appointed by the Underlying Fund AIFM to provide portfolio management services in respect of the Underlying Fund under an investment management agreement dated 28 November 2016. This agreement is for an indefinite term and may be terminated by either party with three months' written notice. The Underlying Fund Investment Manager is responsible for making discretionary investment decisions and managing the Underlying Fund's assets in accordance with its investment objectives, policies and restrictions, in consultation with the Underlying Fund AIFM and the Underlying Fund's board of directors.

As at the date of this PDS, there have been no adverse regulatory findings against the Underlying Fund Investment Manager or any of its key officers or employees.

Underlying Fund Depositary and Administrator

State Street Bank International GmbH, Luxembourg Branch has been appointed to serve as depositary, administrative agent, registrar and transfer agent, and paying agent of the Underlying Fund. The appointments were made pursuant to a suite of service agreements entered into between State Street Bank International GmbH, Luxembourg Branch and the Underlying Fund.

As depositary, State Street Bank International GmbH, Luxembourg Branch is responsible for the safekeeping of the Underlying Fund's financial instruments that may be held in custody, the record-keeping and verification of ownership of other assets held by the Underlying Fund, and oversight of the Underlying Fund's cash flows. In addition, the depositary is required to ensure that the Underlying Fund's operations, including subscriptions and redemptions of shares and the calculation of Net Asset Value, are carried out in accordance with applicable laws, regulations and the constitutional documents of the Underlying Fund.

In its capacity as administrative agent, registrar and transfer agent, and paying agent, State Street Bank International GmbH, Luxembourg Branch is responsible for maintaining the accounting records and books of the Underlying Fund, calculating the Net Asset Value of the Underlying Fund, preparing the Underlying Fund's annual financial statements, maintaining the register of shareholders, processing all subscriptions, redemptions and transfers of shares, facilitating the payment of distributions and redemptions, and handling investor communications.

Underlying Fund Auditor

PricewaterhouseCoopers, has been appointed as the Underlying Fund's approved statutory auditor (réviseur d'entreprises agréé) ('**Underlying Fund Auditor**'). In its role as statutory auditor of the Underlying Fund, the Underlying Fund Auditor is responsible for auditing the Underlying Fund's annual financial statements in accordance with applicable laws, regulations, and auditing standards. The scope of the audit includes verifying the accuracy and completeness of the financial statements, assessing compliance with relevant accounting standards and regulatory requirements, and reviewing adherence to the Underlying Fund's governing documents.

As part of its audit procedures, the Underlying Fund Auditor conducts testing to confirm, among other matters, the valuation and existence of investments, the accuracy of cash balances, and the effectiveness of internal controls. The Underlying Fund Auditor also evaluates the Underlying Fund's valuation policies and operational compliance framework. The audit culminates in an audit report, which provides an independent opinion on whether the financial statements present a true and fair view of the Underlying Fund's financial position and performance in all material respects.

RELATED PARTY RELATIONSHIPS

The Underlying Fund engages core service providers, including the Underlying Fund AIFM and the Underlying Fund Investment Manager, which are part of the Wellington group. These entities, together with their affiliates and personnel, may from time to time act in multiple capacities across various funds and client mandates, including in investment management, advisory and brokerage roles. As such, they may be involved in other investment activities or hold positions as directors, officers or agents of entities in which the Underlying Fund may also invest. These activities may give rise to actual or potential conflicts of interest.

The Underlying Fund AIFM and Underlying Fund Investment Manager may advise other funds or accounts with investment strategies or objectives that are similar to, or overlap with, those of the Underlying Fund. While investments may be made in the same or similar securities across different client portfolios, variations may arise due to cash flow differences, subscription and redemption activity, or divergent views among portfolio managers. It is possible for opposite positions to be taken on behalf of different clients in the same security, consistent with each client's investment objectives.

The Underlying Fund AIFM and Underlying Fund Investment Manager apply trade aggregation and allocation policies designed to ensure that orders are executed and allocated on a fair and equitable basis. However, no assurance can be given that the performance of the Underlying Fund will be the same as, or similar to, that of other Wellington-managed accounts, even where they are subject to similar investment strategies.

The Underlying Fund Investment Manager may assist the Underlying Fund AIFM with valuation-related matters. Given that the Underlying Fund Investment Manager's fees may be linked to the value of the Underlying Fund, this arrangement presents a potential conflict of interest. The Underlying Fund AIFM has established a valuation framework and internal controls to manage and monitor any such conflicts.

Personnel, affiliates or entities within the Wellington group may invest in or provide seed capital to the Underlying Fund and may be afforded preferential terms in relation to investment thresholds, fees or information access. The use of hedging strategies by Wellington in connection with such investments may result in the Underlying Fund maintaining exposures greater than those of Wellington. Investment decisions relating to seed capital are made separately from the team managing the portfolio and may also trigger swing pricing adjustments on dealing days where such activity materially affects the Underlying Fund's net flow position.

Redemptions by related parties, including the Underlying Fund AIFM, the Underlying Fund Investment Manager, or their affiliates, may have an impact on the Underlying Fund and, depending on the Underlying Fund's liquidity profile and market conditions, may result in adverse effects for remaining investors.

While the Underlying Fund AIFM and Underlying Fund Investment Manager have developed comprehensive conflicts of interest policies, the management of such conflicts may, in some circumstances, limit investment opportunities or require action that differs from what would otherwise have been taken. These decisions are taken with a view to ensuring fair treatment of all investors and compliance with the fiduciary duties owed to the Underlying Fund. There is no assurance that all conflicts will be resolved in favour of the Underlying Fund or its investors.

INDEMNIFICATIONS

Investors should be aware that the Underlying Fund has entered into contractual arrangements under which broad indemnities are provided to key service providers. In particular, under the terms of the investment management and related agreements, the board of directors of the Underlying Fund has agreed to indemnify and hold harmless the Underlying Fund AIFM, including its officers, directors, employees and any delegate, against any and all losses, liabilities, costs, charges, expenses, damages and claims of any nature whatsoever. This includes, without limitation, reasonable legal fees and expenses incurred in investigating or defending any such claims or demands.

These indemnities apply in various circumstances, including where such liabilities arise as a consequence of a breach by the Underlying Fund of its obligations under the relevant agreement, from any action properly taken by the Underlying Fund AIFM in accordance with the terms of that agreement, or from the non-payment by the Underlying Fund of any fees due and payable under the agreement. The indemnities also extend to liabilities incurred in connection with any activity undertaken on behalf of the Underlying Fund prior to the effective date of the relevant agreement, as well as any decision, action or omission of the Underlying Fund or its agents from time to time.

These indemnities may operate to limit the ability of the Underlying Fund to seek recourse against the Underlying Fund AIFM and its related parties in connection with losses arising in the ordinary course of managing the Underlying Fund.

6.4 Fund and Underlying Fund – key dependencies and assumptions

The ability of the Fund and the Underlying Fund (together, the '**Investment Funds**') to achieve their investment objectives depends on the continued effectiveness of the investment strategies employed across the structure. The key dependencies and assumptions underpinning these strategies include, but are not limited to:

- **Macro and market conditions:** The Investment Funds are sensitive to changes in macroeconomic and financial conditions, including interest rates, inflation, economic growth rates, credit spreads, monetary policy settings, and investor sentiment. These variables have a direct impact on credit instrument valuations, refinancing conditions, liquidity, and the default or recovery rates of underlying issuers. In particular, rising interest rates or widening credit spreads may adversely affect the market value of fixed income instruments and the overall return profile of the Underlying Fund.
- **Liquidity and capital deployment:** The ability of the Underlying Fund to implement its strategy depends on the continued availability of liquidity in global credit markets. Periods of market stress or reduced trading volumes may limit the Underlying Fund's ability to acquire or exit positions efficiently, including in bank loans, emerging market debt, and high yield securities. Market liquidity may also affect the ability to establish or unwind derivative exposures used for hedging or tactical short positioning, which may result in increased transaction costs or unfavourable pricing.
- **Credit risk and issuer fundamentals:** As the Underlying Fund targets segments of the market that may include securities rated below investment grade or that are unrated, its performance is dependent on the continued ability of issuers to meet their payment obligations. Deterioration in the credit profile of issuers, unexpected downgrades, or defaults may materially affect returns, particularly where recovery values are uncertain. The effectiveness of the Underlying Fund Investment Manager's credit selection process and risk assessments, including its internal credit rating methodologies, is critical to mitigating such risks.
- **Derivatives and short positions:** The Underlying Fund may use derivative instruments such as futures, swaps and forward contracts to establish synthetic long or short exposures for hedging or to express tactical investment views. The ability of these instruments to achieve their intended economic outcomes is dependent on the accuracy of the Underlying Fund Investment Manager's market expectations, the liquidity of the relevant derivative markets, and the creditworthiness of counterparties. Derivative-based short positions involve a risk of loss where the market value of the underlying asset increases rather than decreases, potentially resulting in mark-to-market losses or margin requirements that must be covered using liquid assets. In volatile market environments, the effectiveness of derivative strategies may diminish, or adverse price movements may be amplified.
- **Currency risk:** The Underlying Fund's strategy permits exposures to non-USD-denominated instruments and active currency management. Accordingly, fluctuations in foreign exchange rates and relative interest rates between currency pairs may impact returns, either positively or negatively. The effectiveness of currency hedging strategies or opportunistic currency positions depends on the Underlying Fund Investment Manager's ability to accurately anticipate macroeconomic and geopolitical developments, as well as on liquidity conditions in currency derivative markets.
- **Portfolio construction and diversification:** The Underlying Fund's opportunistic and flexible investment strategy relies on disciplined portfolio construction and diversification across sectors, geographies, credit qualities and instrument types. A failure to adequately diversify exposures or to manage concentrations (including those arising from credit, issuer, counterparty or sectoral positions) may increase downside risk in the event of correlated credit events or systemic market dislocation. The Underlying Fund is subject to regulatory and internal limits, including issuer and short position caps, which must be actively managed to remain within the applicable constraints while maintaining intended risk and return characteristics.
- **Manager execution and research:** The success of the Investment Funds is dependent on the ability of the Underlying Fund Investment Manager to identify relative value opportunities, evaluate credit risk across complex and evolving instruments, and execute trades efficiently. The continued availability of skilled investment personnel, research capabilities, and robust operational infrastructure is essential to maintaining performance and ensuring that the strategy remains adaptive to changing market conditions.
- **Consistency of investment strategy:** The Fund is structured to invest all or substantially all of its capital in the Underlying Fund, which in turn invests according to the strategy described above. Any material deviation from this structure, or a change in the investment approach, including the use of leverage, derivative exposures or credit quality guidelines, could impact the risk-return profile of the Fund and its ability to meet its stated investment objectives.

7. Benefits of investing in the Fund and, indirectly, the Underlying Fund

Global Credit Exposure Designed to Strengthen Portfolio

Through the Fund's investment in the Underlying Fund, Investors can gain indirect exposure to a globally diversified portfolio of credit instruments. The Underlying Fund allocates across a wide range of credit sectors, including high-yield corporate bonds, bank loans, asset-backed securities, collateralised loan obligations, convertible bonds, structured notes, real estate investment trust debt, and credit-linked instruments issued by corporate, government, or supranational entities. This broad diversification helps reduce risk by limiting exposure to any single sector, region, or issuer, supporting the portfolio's strength across different market environments. The Underlying Fund's active allocation process aims to identify attractive opportunities while effectively managing credit, interest rate, and liquidity risks.

Experienced Specialist Capturing Opportunities and Navigating Risk

The Underlying Fund strategy is led by Wellington's senior portfolio managers Campe Goodman and Rob Burn, both partners of Wellington, and who have over 15 years of experience working together as credit sector rotation specialists. Their collaborative and disciplined approach helps navigate credit cycles and sector risks effectively. Their expertise ensures the Underlying Fund avoids prolonged sector concentration and takes advantage of mispriced opportunities across the global credit markets.

Targeting Risk-Adjusted Returns with Income Growth Opportunities

By gaining indirect exposure to the Underlying Fund, that focuses on higher-yielding segments of the global credit market, Investors in the Fund may benefit from the potential for enhanced income and total return. The Underlying Fund aims to deliver risk-adjusted returns by combining thorough credit research, active sector rotation, and strict risk management. While investing in higher-yielding segments involves greater credit and market risks, the Underlying Fund is designed to manage these exposures through diversification, disciplined position sizing, and a robust risk oversight framework.

Broader Investment Mandate Driving Resilient Performance

The Underlying Fund's permitted investments encompass a wide spectrum of fixed income and credit-related instruments by corporate, governmental (including municipal and agency), and supranational issuers across global markets, including fixed and floating rate bonds, bank loans, mortgage-backed securities (including collateralised mortgage obligations and commercial mortgage-backed securities), asset-backed securities (ABS), collateralised debt obligations (CDOs), collateralised loan obligations (CLOs), inflation-linked bonds, credit-linked notes, structured notes, preferred securities, convertible bonds, real estate investment trust (REIT) debt, and fixed income exchange-traded funds (ETFs). This flexible investment mandate enables the Underlying Fund to adjust its positioning in response to changing market conditions, such as interest rate shifts, credit spread movements, and liquidity trends, supporting a more resilient return and income profile over time.

Leveraging Global Research and Specialist Insight

Through the Fund, Investors gain indirect access to Wellington's extensive global research and investment platform, which underpins the management of the Underlying Fund. The investment process is supported by a broad team of fixed income, equity, macroeconomic and ESG specialists, enabling the portfolio managers to respond swiftly to market shifts and identify new opportunities. This multi-disciplinary insight strengthens the Underlying Fund's ability to dynamically allocate capital and uncover relative value across sectors and regions.

Investors in the Fund benefit from indirect exposure to Wellington's extensive global research and investment resources, which support the management of the Underlying Fund. The investment process draws upon the firm's broad platform of fixed income, equity, macroeconomic and ESG analysts, allowing the portfolio managers to respond swiftly to market developments and assess emerging opportunities. This multi-disciplinary input enhances the Underlying Fund's ability to dynamically allocate capital and identify relative value across sectors and geographies.

8. Risks of investing in the Fund and, indirectly, in the Underlying Fund

8.1 Overview

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, of both the Fund and the Underlying Fund, is not indicative of future performance.

Neither CIML, nor Wellington, their directors, associates nor any of their related bodies guarantee the success of the Fund, the Underlying Fund, the repayment of capital or any particular rate of capital or income return. Investments in the Fund are not guaranteed or underwritten by CIML or Wellington 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.

Section 8.2, "General risks of Investing into the Fund" describes some of the risks associated with an investment in the Fund. Section 8.3, "General risks of indirectly investing into the Underlying Fund" describes some of the risks attached to an investment in the Underlying Fund, including through the Fund.

There is no guarantee that any risk mitigation measures described below will be effective and the risks below are not the only risks. Additional risks and uncertainties not presently known to CIML or not presently deemed material by it may also impair the Fund's operations and performance. For the avoidance of doubt, the below is not intended to be an exhaustive description of the risks involved in an investment in the Fund and, indirectly, in the Underlying Fund.

8.2 General risks of investing into the Fund

UNDERLYING FUND RISK

The Fund invests all or substantially all of its assets in an AUD-denominated unit class of the Underlying Fund. As such, the Fund's investment exposure is concentrated in a single investment vehicle and it does not maintain investment diversification at the Fund level. This structure creates a high degree of reliance on the governance, investment performance, risk management, and operational integrity of the Underlying Fund and its related service providers. Any adverse event or operational issue at the Underlying Fund level may directly and materially affect the Fund's unit value, liquidity, and ability to meet redemption requests. The Fund cannot control the investment decisions, liquidity practices or operational changes at the Underlying Fund level and does not have a withdrawal right beyond what is permitted under the terms of the Underlying Fund. This concentrated exposure increases risk relative to a fund that maintains a broader set of investment holdings or manager relationships at the fund level.

WITHDRAWAL AND LIQUIDITY RISK

The Fund intends to offer periodic withdrawal opportunities, and while it is CIML's current expectation that redemption requests will generally be processed on a daily basis (subject to liquidity), these withdrawal opportunities are subject to the discretion of CIML and are not guaranteed. Investors do not have a right to withdraw. Under the Constitution, CIML has the discretion, but not the obligation, to offer Investors the opportunity to redeem their Units in the Fund from time to time, on such terms as CIML may determine. Any redemption facility is therefore subject to CIML's discretion and may be suspended, withdrawn or amended at any time. Redemption requests may be scaled back, deferred or refused in accordance with the Corporations Act and the Fund's Constitution, particularly where liquidity constraints arise at the Underlying Fund level. The Fund is classified as a "liquid scheme" for Corporations Act purposes based on the withdrawal period as outlined in the Fund's Constitution. CIML actively monitors the liquidity of the Underlying Fund and implements controls designed to anticipate and manage potential liquidity risks. Nevertheless, in adverse market conditions or in response to significant redemption volumes, delays in processing withdrawals may occur, and the value of redemptions may be affected by stale or indicative net asset values provided by the Underlying Fund.

PROSPECTIVE AND CURRENT INVESTORS MUST BE AWARE OF THE POTENTIAL LIMITATIONS ON THEIR ABILITY TO WITHDRAW FROM THE FUND. NEITHER CIML, NOR WELLINGTON, THEIR DIRECTORS, ASSOCIATES, NOR ANY OF THEIR RELATED BODIES PROVIDE ANY GUARANTEE CONCERNING THE LIQUIDITY OF THE FUND OR THE ABILITY OF AN INVESTOR TO WITHDRAW ITS INVESTMENT.

CREDIT RISK

While the Fund itself does not invest directly in credit instruments, its value is almost entirely derived from its investment in the Underlying Fund, which pursues a strategy focused on global credit markets. Accordingly, the Fund is indirectly exposed to the credit risk of the issuers and instruments held by the Underlying Fund. This includes investments in high yield bonds, emerging market debt, bank loans and structured credit instruments, many of which may be below investment grade or unrated. Credit risk refers to the risk that an issuer of a debt instrument may fail to meet its obligations to pay interest or repay principal. Such failures may be triggered by a deterioration in the issuer's financial condition, changes in macroeconomic conditions, or external shocks. A credit event affecting one or more issuers may lead to a material loss in the value of the Underlying Fund and, in turn, the Fund. While the Underlying Fund Investment Manager conducts credit assessments and monitors issuer fundamentals, there is no guarantee that credit losses can be avoided or that recovery values will be adequate in the event of default.

VALUATION RISK

The Fund's unit price is based on the Net Asset Value of its interest in the AUD-denominated share class of the Underlying Fund and the value of any cash or cash equivalents less any liabilities. The valuation of the Fund's investment in the Underlying Fund is dependent on the accuracy and integrity of the Underlying Fund's pricing policies, which may include inputs from third-party pricing services, model-based estimates, and valuation adjustments determined by the Underlying Fund Investment Manager. This is particularly relevant for illiquid or complex instruments such as structured credit, syndicated loans and over-the-counter derivatives. In periods of market dislocation, price transparency may deteriorate and the assumptions used in valuation models may become unreliable. This may result in temporary overstatement or understatement of the Fund's unit price. In addition, the Fund does not separately verify the valuation information it receives from the Underlying Fund, nor does it apply discounts or adjustments to the reported net asset value. As a result, Investors who redeem units during periods of pricing uncertainty may receive proceeds that do not reflect the realisable value of the underlying assets, and remaining Investors may be adversely affected. Valuation risk is heightened during periods of low liquidity, market volatility or fundamental uncertainty in credit markets.

UNDERLYING FUND MINIMUM SUBSCRIPTION REQUIREMENTS

The Fund will invest substantially all of its assets into the class S shares of the Underlying Fund. Under the terms of the Underlying Fund's offering documents, class S shares are generally subject to a minimum initial subscription requirement of USD 5 million (or the equivalent in another currency), with a minimum subsequent subscription amount of USD 1,000. While CIML intends to seek and expects to obtain a waiver of this minimum initial subscription requirement in respect of the Fund's investment in the Underlying Fund, there is no assurance that such a waiver will be granted, or if granted, that it will be maintained on an ongoing basis.

If the waiver is not granted or is withdrawn in the future, the Fund may be required to increase its initial investment in the Underlying Fund in order to meet the minimum investment threshold. This could result in delays in deploying capital, restrictions on the Fund's ability to subscribe for additional interests in the Underlying Fund, or the need for the Fund to restructure or adjust its investment strategy to remain eligible for continued investment in the class S shares of the Underlying Fund.

Furthermore, if the minimum subscription threshold were to be enforced without waiver, and the Fund is unable to meet the requirement within a specified timeframe, the Fund may be unable to gain or maintain access to the class S share class or, in a worst-case scenario, may be required to redeem its holdings. This could expose investors in the Fund to liquidity risk, increased transaction costs, and adverse tax or operational consequences.

SHORT SELLING AND DERIVATIVES RISK

The Underlying Fund may use derivatives to implement short positions for hedging or tactical purposes. These exposures are created synthetically through instruments such as credit default swaps, futures, forwards or total return swaps. While such strategies may be effective in managing risk or enhancing returns, they introduce significant additional risks to the Fund by virtue of its exposure to the Underlying Fund. Synthetic short selling involves the risk of unlimited loss if the reference asset appreciates in value, as well as the risk of margin calls or forced position closures. Derivative contracts may also expose the Underlying Fund to counterparty risk, legal enforceability risk and operational errors in trade execution or settlement. In periods of market stress, derivative markets may become illiquid, leading to losses or inability to unwind positions. Changes in regulation or margining requirements may also affect the viability of certain strategies. Investors should be aware that losses arising from derivative-based short positions at the Underlying Fund level may not be fully offset by gains elsewhere in the portfolio and may result in drawdowns in the Fund's value.

INTEREST RATE RISK

Although the Fund does not directly invest in fixed income securities, its performance is indirectly sensitive to changes in global interest rates through its investment in the Underlying Fund, which holds a portfolio of interest-bearing instruments. Rising interest rates typically result in a decline in the market value of fixed-rate securities, particularly those with longer durations. Even where floating rate instruments are held, increases in short-term rates may increase funding costs for leveraged issuers or lead to repricing of credit spreads. Moreover, shifts in interest rate expectations often lead to increased volatility in credit markets, with potential effects on investor sentiment and liquidity conditions. Interest rate changes may also indirectly affect currency valuations and derivative pricing. The Underlying Fund Investment Manager may seek to manage interest rate risk through portfolio construction, duration management or derivative overlays, but such strategies may not always be successful. Unanticipated changes in policy settings, inflation expectations or central bank actions can adversely affect both income generation and capital values across the portfolio and may, in turn, result in fluctuations in the Fund's unit price.

CURRENCY RISK

The Fund invests in an AUD-denominated class of the Underlying Fund, which in turn invests in securities and instruments denominated in a range of global currencies. As such, the Fund is exposed to indirect currency risk arising from foreign exchange movements between these currencies and the Australian dollar. In addition, the Underlying Fund may engage in active currency management, including the establishment of currency exposures unrelated to the underlying bond or loan positions. While the Underlying Fund may employ hedging strategies to reduce currency risk, such strategies may be imperfect due to timing differences, market volatility, basis risk or transaction costs. Further, the effectiveness of currency hedging may be undermined by illiquidity or counterparty defaults. As a result, movements in exchange rates may have a material impact on the value of the Fund's investment, particularly during periods of market turbulence, geopolitical disruption or divergence in global monetary policy. Investors in the Fund may experience currency-related gains or losses, which may affect both short-term performance and long-term total returns, even if the underlying credit exposures perform as expected. These risks are magnified where the Fund's exposure to non-AUD currencies is indirect and uncontrolled.

COUNTERPARTY RISK

The Fund is exposed to counterparty risk through its investment in the Underlying Fund, which may enter into contractual arrangements with third parties such as broker-dealers, swap counterparties, custodians and administrators. Counterparty risk is the risk that one or more of these parties may fail to perform their contractual obligations, whether due to insolvency, regulatory intervention, operational failure or fraud. This is particularly relevant in the context of over-the-counter derivative transactions, securities lending arrangements or margin financing. Although the Underlying Fund Investment Manager implements internal credit quality assessments, counterparty limits and collateralisation practices, there can be no assurance that these measures will fully mitigate the risk of counterparty default or loss. During periods of market stress, counterparties may become less willing or able to honour margin calls, novate trades or settle transactions, leading to delays or disputes. Legal enforceability of derivative contracts may also be challenged in certain jurisdictions. These risks may ultimately result in losses that reduce the Net Asset Value of the Underlying Fund, which will flow through to the Fund. Investors should be aware that these risks are external to the Fund and may not be readily visible through performance metrics alone.

OPERATIONAL RISK

The Fund is exposed to operational risks at both the Fund and Underlying Fund levels, including those arising from failures in people, systems, processes or external service providers. Operational risks may manifest as unit pricing errors, failed settlements, inaccurate reporting, cybersecurity breaches, or unauthorised transactions. Key service providers such as the Fund Administrator, Custodian, and Auditor are responsible for core operational functions that underpin the integrity of the Fund's operations. Any failure by these providers – due to human error, technological failure or malicious activity – may result in financial loss, reputational damage, regulatory non-compliance or legal liability. Similarly, the Underlying Fund's operations rely on third-party custodians, registrars and derivative counterparties, and errors or failures at that level may compound the risk to the Fund. While CIML maintains an operational risk management framework and due diligence procedures for its outsourced providers, no control environment is failproof. Investors should be aware that operational incidents, especially those involving derivatives, cross-border transactions or illiquid instruments, may not always be promptly detected or resolved, and the costs of remediation may ultimately be borne by the Fund and its Investors.

LIQUIDITY MANAGEMENT RISK AT THE FUND LEVEL

The Fund maintains only a small operational cash buffer and depends on redemptions from the Underlying Fund to meet Investor redemption requests. If the Underlying Fund is unable to liquidate assets in a timely manner, or imposes redemption restrictions, the Fund may not be able to meet its own liquidity obligations. This mismatch between the liquidity profile of the underlying assets and the expectations of Investors at the Fund level presents a structural risk, particularly during periods of market stress, concentrated redemption activity or systemic shocks. The Underlying Fund holds assets such as syndicated loans, high yield debt and structured credit instruments, which may not be readily realisable in volatile or distressed market conditions. Additionally, where the Underlying Fund has derivative exposures, margin requirements may further reduce liquidity availability. CIML implements liquidity monitoring tools and scenario analyses, but such models may not anticipate extreme or correlated redemption events. In such circumstances, the Fund may be required to defer, scale back or suspend redemptions, and Investors may be exposed to the risk of receiving delayed proceeds, possibly calculated on outdated or indicative valuations.

MARKET RISK

Although the Fund's investment exposure is indirect, it remains highly sensitive to broad market movements due to the nature of the Underlying Fund's investments in global credit markets. Market risk includes the risk of adverse changes in economic indicators, interest rates, geopolitical developments, investor sentiment, and global financial stability. These factors can affect the prices of credit instruments, the liquidity of markets in which they are traded, and the volatility of returns. During periods of heightened uncertainty or dislocation, even fundamentally sound securities may experience sharp price declines due to forced selling, de-risking by market participants, or loss of investor confidence. Moreover, market risk may amplify other risk factors, such as liquidity or valuation risk, as market participants may adopt overly conservative pricing assumptions or reduce trading activity. While the Underlying Fund Investment Manager seeks to manage market risk through portfolio diversification and risk analytics, systemic events such as global recessions, sovereign debt crises, or pandemic-related shocks may overwhelm these controls. Investors should be prepared for periods of heightened volatility, reduced liquidity, and negative short-term returns, even in the absence of credit defaults or operational failures.

CURRENCY HEDGING RISK

While the Fund itself does not engage in hedging, it is exposed to currency hedging risk through the Underlying Fund, which may use derivatives such as forward contracts, currency swaps and options to hedge foreign exchange exposures. These hedging strategies are intended to reduce the volatility associated with non-USD and non-AUD currency positions but introduce their own risks. Currency hedging involves basis risk, which arises from imperfect correlations between the hedged asset and the hedging instrument, and may result in under-hedging or over-hedging. In volatile or illiquid markets, hedging instruments may not be available at reasonable cost or may fail to perform as expected. Further, counterparties to currency hedges may default or fail to meet margin requirements, particularly during times of financial instability or geopolitical disruption. The Underlying Fund's hedging policies are subject to change and are implemented at the discretion of the Underlying Fund Investment Manager, meaning that hedges may be removed, reduced, or increased without notice. Consequently, Investors may still experience losses or volatility attributable to currency movements, even where a hedging program is in place. These risks are indirect, but material, and can impact both short-term performance and long-term total returns of the Fund.

DISTRIBUTION RISK

The Fund seeks to provide income through distributions, but such payments are not guaranteed and are wholly dependent on income and capital gains realised by the Underlying Fund. The Underlying Fund's board of directors has discretion over the frequency and timing of the declaration and payment of distributions. The Underlying Fund may retain income for reinvestment, use it to offset losses, or delay distributions due to operational, tax, or liquidity considerations. As such, the amount and timing of distributions from the Fund may vary significantly over time. In some periods, no distribution may be made at all. Additionally, distributions may be affected by withholding tax on foreign-sourced income, fund-level expenses, and currency fluctuations, particularly where the income is generated in currencies other than AUD. CIML may determine to retain distributions for fund-level purposes, and such retained income may not be separately reported to Investors. Investors should not rely on the Fund as a source of regular income and should consider the total return profile, including capital appreciation or depreciation. Any distribution made may include components such as capital returns or realised losses, which may have different tax consequences depending on the Investor's personal circumstances.

LEGAL AND REGULATORY RISK

The Fund is a registered managed investment scheme and is subject to oversight by ASIC and compliance with the Corporations Act. Changes to the regulatory framework in Australia or in the foreign jurisdictions in which the Underlying Fund operates may affect the structure, operation, or tax treatment of the Fund. Regulatory developments may also impose additional disclosure requirements, restrictions on investment strategies, or obligations on service providers. The Fund is also exposed to legal risks arising from the interpretation and enforcement of contractual arrangements with the Underlying Fund and its service providers. For example, the enforceability of certain derivative contracts or indemnities may be challenged under foreign or evolving legal frameworks. Further, any breach of regulatory obligations – whether by the Fund, the Underlying Fund, or an associated service provider – may result in fines, sanctions, or reputational damage. Although CIML seeks to maintain compliance through legal review processes and engagement with external counsel where necessary, regulatory risk cannot be entirely mitigated and may have unforeseen impacts on Investor returns and Fund operations.

RESOURCING AND CAPACITY RISK

CIML and the Underlying Fund Investment Manager are responsible for managing multiple investment vehicles, mandates and institutional relationships. As such, the Fund is exposed to resourcing and capacity risk, which may arise if key personnel are lost, workloads become unmanageable, or operational infrastructure is strained due to growth, market volatility, or regulatory change. A failure to adequately staff compliance, risk management, client service or investment functions may lead to processing delays, errors, or diminished responsiveness to Investor needs. While CIML maintains a governance framework, continuity planning, and periodic resource reviews, the Fund may still be affected by unexpected staff turnover, inadequate delegation, or over-reliance on key individuals. In particular, during periods of market stress or heightened redemption activity, delays in responding to Investor requests, communicating material events, or processing transactions may occur. Investors should be aware that operational soundness and institutional support are critical to maintaining effective fund governance, and any weakening of these elements may adversely impact the Fund's performance, risk profile and service quality.

LEVERAGE AND EMBEDDED LEVERAGE RISK

Although the Fund does not directly use leverage, it is exposed to leverage-related risks through its investment in the Underlying Fund, which may employ both direct and embedded leverage through derivatives, repurchase arrangements, reverse repurchase transactions and other contractual arrangements that give rise to leveraged exposures. Leverage amplifies both gains and losses, meaning that even modest adverse movements in market prices, interest rates or credit spreads can result in disproportionately large declines in the Net Asset Value of the Underlying Fund and, by extension, the Fund. Embedded leverage may arise from instruments such as total return swaps, credit-linked notes or structured notes, which can create exposures exceeding the capital allocated. In stressed markets, leveraged exposures may require forced unwinds, collateral calls or contractual repayments, potentially crystallising losses. In addition, leverage can lead to liquidity mismatches, counterparty exposure and heightened volatility. While the Underlying Fund is subject to internal risk limits and regulatory constraints on leverage, there can be no assurance that these controls will fully mitigate the potential for loss. Investors should be aware that the use of leverage at the Underlying Fund level increases the risk profile of the Fund and may result in unexpected performance outcomes.

TAXATION RISK – CROSS-BORDER STRUCTURES

The Fund is exposed to taxation risk, not only under Australian law, but also through its indirect investment in global credit markets via the Underlying Fund. The Underlying Fund may invest in instruments issued in, or derive income from, multiple foreign jurisdictions, each of which may apply different withholding taxes, tax treaties, reporting obligations or characterisation rules (e.g. capital vs income). Changes in local or international tax laws, double tax treaty interpretations or tax administration practices may affect the after-tax return of the Underlying Fund and therefore reduce the distributable income or capital of the Fund. For example, certain countries may introduce or expand interest withholding taxes or alter the tax treatment of derivatives or credit-linked instruments. The Fund itself may also be affected by changes to Australian tax rules governing attribution managed investment trusts, fund flow-through treatment or foreign income tax offsets. While CIML seeks external tax advice where appropriate, there can be no assurance that tax risks, particularly those involving retrospective legislation or cross-border enforcement, can be foreseen or avoided. Investors should seek independent tax advice relevant to their own circumstances.

TRANSPARENCY AND MONITORING RISK

Due to its status as a feeder fund, the Fund has limited transparency into the individual security-level holdings, portfolio-level risk analytics and real-time trading activity of the Underlying Fund. While the Underlying Fund publishes periodic net asset values and reports in accordance with its own regulatory requirements, it is not obliged to disclose comprehensive information to Investors in the Fund, including details on active currency exposures, short positions, derivative notional values or issuer-level credit risk concentrations. This limited visibility constrains CIML's ability to assess emerging risks, validate valuations, or anticipate changes in liquidity or portfolio composition. Additionally, key decisions such as hedging policies, counterparty selection, and leverage management are made by the Underlying Fund's Investment Manager and are outside the Fund's control. Investors in the Fund are therefore exposed to the risk that material shifts in investment strategy, risk appetite or exposures at the Underlying Fund level may occur without timely disclosure. This limits the Fund's ability to adjust proactively and increases the risk of adverse performance outcomes without sufficient warning.

FORCE MAJEURE EVENT RISK

Events such as natural disasters, pandemics, cyberattacks, armed conflict or systemic market disruptions may impact the Fund's operations and the ability of its service providers to discharge their functions. These events may result in delays in processing transactions, calculating unit prices, or satisfying redemption requests. They may also impair market liquidity, pricing accuracy and access to underlying investment data from the Underlying Fund. Although business continuity frameworks are maintained by CIML and its service providers, there is no guarantee that all such events can be effectively mitigated or that Investor outcomes will not be adversely affected.

SUBSCRIPTION AND LARGE TRANSACTION RISK

Large subscriptions or redemptions into or out of the Fund can create operational and liquidity challenges. A large inflow may require CIML to hold excess cash temporarily until the proceeds are invested in the Underlying Fund, potentially causing performance dilution. Conversely, large redemptions may require the Fund to redeem a significant portion of its holdings in the Underlying Fund, which may not be feasible on short notice and could affect Net Asset Value. If the Underlying Fund imposes gating or redemption limits, the Fund may need to defer or pro-rata redemption payments to Investors. Investors may be adversely affected if they transact in the Fund during periods of large subscription or redemption activity.

FOREIGN INVESTMENT RISK

The Fund's exposure to foreign markets arises indirectly through its investment in the Underlying Fund. Investments in foreign jurisdictions may be subject to risks including currency controls, political instability, expropriation, capital repatriation restrictions, tax uncertainty, legal system limitations and regulatory unpredictability. Although these risks are managed at the Underlying Fund level, they may affect the performance, valuation or liquidity of the Fund's investment. Sudden changes in foreign regulatory regimes may also impact withdrawal rights, valuation practices or fund operations.

CLASS RISK

The Fund may offer multiple unit classes with distinct features such as fee levels, distribution policies or investment eligibility criteria. While the assets and liabilities of each class are tracked separately, operational errors or legal disputes could create cross-class exposure. In extreme scenarios, liabilities incurred by one class may affect another class, particularly if operational or legal segregation mechanisms fail. Investors should also be aware that differences in net inflows or outflows across classes may lead to different performance outcomes or impact the cost structure of the Fund.

8.3 General risks of indirectly investing into the Underlying Fund

The investments that the Underlying Fund makes may result in a higher amount of risk than alternative investment options, including volatility or loss of principal. The Underlying Fund's investments may be highly speculative and aggressive. Certain risks relating to the Underlying Fund's investments are set forth below, but more risks of the Underlying Fund, including risks related to the economy, risks of the Underlying Fund's business, risks related to the Underlying Fund Investment Manager, and its affiliates, can be found in the Underlying Fund's offering materials and annual reports, which can be requested from CIML in writing.

CREDIT RISK AND DEFAULT RISK

Debt obligations rated below investment grade, or unrated securities of comparable quality, are considered by credit rating agencies to be speculative and carry a high level of risk. Most of the Underlying Fund's investments will be below investment grade. Lower-rated securities have a significantly greater risk of default in payments of interest and/or principal than the risk of default for investment grade securities. Issuers of lower-rated securities generally present a higher risk of bankruptcy or reorganisation than issuers of investment grade securities or may have recently been in bankruptcy or reorganisation proceedings. These issuers may be particularly susceptible to economic downturns.

The secondary market for lower-rated securities is typically much less liquid than the market for investment grade securities, frequently with significantly more volatile prices and larger spreads between bid and ask price in trading. The market price of lower rated securities will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments. In addition to credit risk and liquidity risk concerns, the market price of lower rated securities in particular may be adversely affected by legislative or regulatory developments, such as changes in rules regarding taxation, corporate reorganisations or divestiture.

BANK LOAN RISK

Bank loans, which may bear fixed or floating rates, are generally arranged through private negotiations between a corporate borrower and one or more lenders, including banks. A loan is often administered by a financial institution that acts as agent for all holders, and an investor may not have direct recourse against a borrower (in which case the investor must rely on the agent to apply appropriate remedies). An investment in a bank loan may be in the form of a participation in a loan or an assignment of all or a portion of a loan by a third party. Both forms of investment involve risks of nonpayment of principal and interest, loan collateral impairment, and illiquidity.

Participation exposes the Underlying Fund to both borrower and lender credit risk, with no direct enforcement rights. Assignments may be sold without recourse, often lacking representations about the underlying loan. Investors may become part-owners of collateral upon foreclosure, and in some cases, could be treated as co-lenders, potentially incurring liabilities. Legal or contractual resale restrictions, absence of exchange listings, and irregular trade settlement timelines further compound liquidity and operational risks.

LIQUIDITY RISK

The Underlying Fund may invest in securities that are thinly traded or for which no active market exists. In certain market conditions, these assets may be sold only at substantial discounts or not at all, especially during periods of heightened volatility or systemic stress. This exposes the Underlying Fund to potential losses in meeting redemption obligations or during portfolio rebalancing. Legal and contractual restrictions on resale may further constrain liquidity.

Loans and private instruments commonly held by the Underlying Fund may lack standardised documentation or market conventions, resulting in bid/ask spreads, irregular trading activity, and extended settlement periods. If a significant portion of the Underlying Fund's portfolio becomes illiquid, this may impair the Fund's ability to fulfil redemption requests, forcing sales at disadvantageous prices or delaying redemptions altogether. Redemption proceeds may, at the discretion of the Underlying Fund or its board, be distributed in-kind through the transfer of less-liquid securities, rather than in cash.

EMERGING MARKET DEBT RISK

Investments in securities issued by governments or corporations in emerging markets expose the Underlying Fund to heightened sovereign, political, regulatory, and currency risks. These markets often exhibit weaker accounting, auditing, legal, and investor protection standards compared to developed markets. The liquidity of these securities may be low, with thin trading volumes and significant volatility. Custody infrastructure may be underdeveloped, increasing the risk of asset loss due to fraud, mismanagement, or insolvency of sub-custodians.

Settlement processes can be inefficient, subject to delay, and inconsistent with international norms. Retroactive or sudden changes in tax policies may result in unexpected withholding or income tax liabilities. Foreign exchange controls, nationalisation, capital restrictions, or political instability may adversely affect the Underlying Fund's ability to realise value or repatriate income. As such, even fundamentally sound credit investments in emerging markets may underperform or incur losses due to structural risks that are difficult to hedge or anticipate.

SECURITISATION AND STRUCTURED CREDIT RISK

Securitisation, including investments in collateralised loan obligations, asset-backed securities, and mortgage-backed securities, introduces layered risk exposures to the Underlying Fund. These instruments divide credit risk into tranches, with junior tranches absorbing losses first. Equity or subordinated tranches bear the highest credit risk and may be thinly traded or illiquid. The quality and performance of such instruments depend on the cash flows of the underlying asset pools, which may consist of sub-investment grade loans, mortgages, or receivables.

Changes in interest rates, credit spreads, or economic conditions may affect prepayment rates, extension risk, and cash flow timing, all of which may impair valuations. The complexity of structured products can obscure actual risk exposure, especially during market dislocations. Credit ratings of structured instruments may not reflect actual risk, and even senior tranches may suffer losses in systemic events. Valuation challenges may further arise where market transparency is limited, and collateral enforcement is difficult.

VALUATION AND PRICING RISK

The Underlying Fund's portfolio may include securities and instruments that are not listed on any exchange or for which reliable market quotations are unavailable. This includes private placements, structured credit products, and securities issued in emerging markets. As such, valuation may rely on proprietary models or dealer quotes, introducing subjectivity and risk of mispricing. In turbulent or illiquid markets, spreads may widen, market-making activity may cease, and prices may diverge significantly from fair value.

NAV calculations based on stale or model-driven valuations may overstate or understate the true economic value of the Underlying Fund's holdings. Investors subscribing or redeeming during such periods may do so at prices not reflective of market reality, potentially disadvantaging existing investors. Further, the frequency and reliability of valuation inputs may vary, and differences in pricing conventions across markets can compound errors. These risks are particularly pronounced in portfolios with high allocations to complex or bespoke credit instruments.

INTEREST RATE AND DURATION RISK

Interest rate movements have a direct impact on the value of fixed income instruments in the Underlying Fund's portfolio. As interest rates rise, the market value of existing debt securities generally falls, particularly those with longer durations. Conversely, falling rates increase the value of such securities. Duration is a measure of the sensitivity of a bond's price to interest rate changes and reflects the weighted average time to receive cash flows. Longer-duration bonds are more sensitive to rate shifts.

Duration also reflects coupon structure, lower-coupon bonds generally have longer durations. Callable and mortgage-related securities may exhibit convexity and prepayment risks, meaning their duration may change unpredictably as interest rates shift. Additionally, floating or variable-rate securities may have long final maturities but short interest rate durations due to frequent resets. Use of derivatives such as swaps, futures, and options may also extend or shorten the portfolio's effective duration, sometimes unintentionally. Therefore, the Underlying Fund may experience price volatility or NAV distortions from interest rate and duration mismatches.

DERIVATIVES RISK

The Underlying Fund may engage in derivative transactions, including credit default swaps, total return swaps, interest rate swaps, futures, and options. These instruments may be used for hedging, duration management, or return enhancement, but they introduce material risks. Derivatives often embed leverage and can amplify losses. Their value may be sensitive to changes in interest rates, credit spreads, market volatility, and counterparty solvency.

Over-the-counter derivatives are subject to counterparty credit risk. If a counterparty fails to meet its obligations, the Underlying Fund could suffer a significant loss or be unable to realise gains. Additionally, derivatives may lack liquidity, particularly during times of stress, and exit costs may be substantial. Pricing models used to value derivatives may be sensitive to assumptions, and incorrect inputs or model errors may lead to inaccurate NAVs. Margin calls and collateral demands may also arise unexpectedly, requiring the Fund to liquidate assets or increase cash holdings at disadvantageous times.

PRIVATE PLACEMENT / 144A SECURITIES RISK

The Underlying Fund may invest in unregistered securities issued under Rule 144A or Regulation S of the U.S. Securities Act 1993 (United States), which are not publicly traded and may not be freely transferable. These securities are typically offered only to institutional investors and may have limited or no secondary market. As such, they are inherently illiquid and may be difficult to value or exit without incurring losses.

The issuers of private placements may not be subject to the same disclosure and reporting requirements as listed companies, increasing the risk of incomplete or inaccurate information. In adverse market conditions, liquidity in Rule 144A markets can deteriorate further, widening bid-ask spreads and depressing realised prices. Legal transfer restrictions and counterparty settlement risks may also apply. These securities may represent a substantial portion of the Underlying Fund's portfolio, particularly where attractive yields are sought, and could materially impact Fund performance in times of market stress.

MACROECONOMIC AND SYSTEMIC RISK

The Underlying Fund is exposed to risks arising from broader economic and systemic events. These include recessions, inflationary shocks, banking crises, changes in fiscal or monetary policy, and geopolitical tensions. Credit spreads may widen significantly during such periods, even for issuers with strong fundamentals. Sovereign defaults, market freezes, or global deleveraging events can simultaneously impact multiple sectors and geographies in which the Underlying Fund is invested.

Government intervention – such as rate manipulation, capital controls, or asset purchase programs – can disrupt market pricing and the effectiveness of hedging strategies. Unexpected changes in central bank policies may affect interest rates, currency valuations, and market sentiment. Macro-driven volatility may impair liquidity, especially for the complex and less transparent credit instruments targeted by the Underlying Fund. These risks are systemic in nature and often cannot be diversified away or fully hedged.

LEVERAGE AND EMBEDDED LEVERAGE RISK

While the Underlying Fund may not employ structural leverage through borrowing, many instruments it holds – such as derivatives, structured products, and subordinated tranches – carry embedded leverage. This means the potential gain or loss on such instruments may be disproportionately large relative to their notional value. CLO equity tranches, credit-linked notes, and inverse floaters are examples where a small movement in underlying asset value can cause significant NAV impact.

Leverage can also increase liquidity risk. When markets are stressed, leveraged positions may require rapid liquidation, margin calls, or collateral postings. This could lead to forced selling and further value erosion. In derivative positions, market value movements may trigger large unrealised losses that affect the Underlying Fund's NAV. Moreover, leverage may create correlations among otherwise unrelated instruments, reducing portfolio diversification during crises. Investors should be aware that embedded leverage can amplify both gains and losses.

CASH FLOW MANAGEMENT RISK

The Underlying Fund may experience substantial and unpredictable cash flows from subscriptions and redemptions. During periods of high subscriptions, the Fund may be forced to hold excess cash while suitable investment opportunities are sourced, which may dilute returns. Conversely, in times of elevated redemptions, the Fund may be required to sell securities – potentially illiquid or mispriced – to meet Investor withdrawals, adversely affecting performance and valuation.

Cash drag from uninvested funds may materially lower the Underlying Fund's income generation. Redemption-driven sales may also be executed under time pressure or during unfavourable market conditions. Additionally, cash flow mismatches may arise if Investor flows are not aligned with the liquidity profile of the underlying assets. This creates risks of portfolio disruption, loss crystallisation, or changes in risk profile. These issues are particularly acute in credit strategies where investment ramp-up and exit may require longer lead times.

COLLATERAL REINVESTMENT AND REUSE RISK

Where the Underlying Fund receives collateral from counterparties (e.g., under derivative transactions) and reinvests such collateral, it is exposed to the risk that the value of the reinvested assets declines. If a counterparty defaults and the reinvested collateral cannot be liquidated at par, the Fund may suffer a loss. The quality and liquidity of reinvested collateral are key risk considerations, particularly during stressed market conditions.

Where the Underlying Fund provides collateral to counterparties and permits its reuse (rehypothecation), it may be exposed to counterparty credit risk and loss of control over the collateral. If the counterparty becomes insolvent, the Underlying Fund may only have an unsecured claim for equivalent assets, which may not be recovered in full or on time. Collateral arrangements, particularly where reuse is permitted, should be carefully assessed as they can create complex and opaque exposures.

CURRENCY AND HEDGING RISK

The Underlying Fund may invest in instruments denominated in foreign currencies, introducing exposure to currency fluctuations against the Fund's base currency. Exchange rate movements can materially affect investment values, particularly during periods of heightened market volatility, political instability, or intervention by central banks. Currency hedging strategies may be employed, but are subject to basis risk, imperfect correlation, and slippage.

For share classes hedged into a different currency, performance may diverge from that of the Underlying Fund due to hedging costs or inefficiencies. Derivative instruments used for hedging may introduce counterparty risk or liquidity challenges. In some cases, hedging may be incomplete or may not fully protect against currency depreciation. Moreover, transaction costs and market timing issues may erode the effectiveness of the hedge, especially in emerging markets where currency markets may be shallow or controlled.

TAXATION AND REGULATORY RISK (INCLUDING PRC / BOND CONNECT)

The Underlying Fund may be exposed to jurisdictions with evolving and less predictable tax regimes, particularly in emerging markets. Tax laws may be subject to retrospective change, potentially resulting in withholding taxes, income levies, or penalties that were not anticipated at the time of investment. In some cases, there may be limited guidance or precedent, increasing uncertainty and legal risk.

Investments accessed through platforms such as Bond Connect (for Chinese onshore bonds) may be especially vulnerable to regulatory shifts. Authorities may introduce quotas, capital restrictions, or operational requirements that impair access or liquidity. Additionally, the Underlying Fund may face operational hurdles in repatriating income, asserting tax treaty rights, or complying with new disclosure obligations. These risks may not be effectively mitigated through due diligence or structuring alone and can lead to NAV impairment without warning.

9. How the Fund operates

9.1 Fund valuation

The Fund is valued by the Fund Administrator and the Fund's Net Asset Value is calculated in accordance with the Constitution. The Net Asset Value of the Fund is calculated, by deducting the liabilities of the Fund (for example, but not limited to, distributions to the Fund's Investors, the Fund's Management Fee payable to CIML, expenses, provisions and contingent liabilities) from the value of the Fund's assets. Given that the Fund will invest all or substantially all of its assets in class S shares in the Underlying Fund, which are not an exchange traded asset, all assets of the Fund (including any that are not exchange traded), are determined in accordance with standard market practice and market prices are generally electronically sourced from third parties. Consequently, in general, the value of the Fund's assets will reflect the value of the shares which it holds in the Underlying Fund (i.e., the Net Asset Value of the Underlying Fund), which is published from time to time.

Where no independent pricing source is available to value an asset, CIML will liaise with the Fund Administrator to determine the value of the asset in accordance with acceptable industry standards.

CIML has adopted a unit pricing and asset valuation policy that covers the valuation of the Fund's assets including the Underlying Fund. As the Fund will primarily invest in the Underlying Fund, CIML will implement its underlying fund valuation policy by relying on the investment policy of the Underlying Fund. The Underlying Fund has adopted valuation policies and procedures for the Underlying Fund which oversees the implementation of such policies by the Underlying Fund AIFM. The Underlying Fund AIFM exercises risk oversight function over the Underlying Fund. CIML actively monitors the Underlying Fund's valuation policies, ensuring these practices are consistent with the Fund's strategic investment objectives.

9.2 Unit pricing into the Fund

A unit represents an equal, undivided interest in the Fund's portfolio. A Unit price for each unit class is generally calculated each Business Day. In setting the daily unit price, the Fund Administrator typically uses the last available market prices for securities on the relevant Business Day (or any other valuation day declared by CIML).

The Unit price is calculated by dividing the Net Asset Value of the Fund (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Constitution) divided by the number of Units on issue. The issue price is calculated by taking the Net Asset Value per Unit plus any buy spread (if applicable). The redemption Unit price is calculated by taking the Net Asset Value per Unit less any sell spread (if applicable). No buy-sell spread is currently levied on the Fund.

Where different classes of units are on issue in the Fund, the price of a Unit will be determined by reference to the Net Asset Value of that class.

Investors in the Fund will be issued a number of Units depending on their initial investment (calculated by dividing the amount invested by the applicable issue Unit price). When funds are withdrawn from the Fund, they are redeemed at the relevant redemption unit price for the Units.

Unit prices are generally finalised and published by the second Business Day following the relevant Business Day to which the Unit price relates once the Fund Administrator completes the valuation process, however this may vary depending on the timing of underlying data availability and processing requirements. In calculating the Net Asset Value of the Fund, CIML, the Fund Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including, automatic processing services, brokers, market makers or intermediaries, and any fund administrator or valuations agent of the Underlying Fund or other collective investments into which the Underlying Fund invests.

CIML may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

CIML has adopted a unit pricing and asset valuation policy, which sets out how CIML exercises discretions in relation to unit pricing. You can obtain a copy of this policy free of charge by contacting CIML.

9.3 Distributions

WHEN ARE DISTRIBUTIONS PAID?

The distribution policy of the Fund is to distribute the net income of the Fund quarterly (when applicable or available from the Underlying Fund) as soon as practicable. You can elect to either have your distributions automatically reinvested as additional Units in the Fund or credited to your nominated

Australian financial institution account. If no election is made, your distributions will be automatically reinvested into the Fund.

Distributions from the Fund may comprise income and/or capital as determined by CIML under the Constitution. The Fund's ability to pay a distribution is contingent on the income it receives from its investment in the Underlying Fund and may mean that there is no distribution for a period. The Fund, as a shareholder of the Underlying Fund, is allocated distributing shares of the Underlying Fund, where it is the intention of the Underlying Fund to issue cash distributions with respect to such shares on a quarterly basis. There is no guarantee that the Underlying Fund will make distributions, and any distributions will be made at the discretion of the Underlying Fund, taking into consideration such factors as it deems appropriate, including earnings, cash flow, capital needs and general financial condition and the requirements of any applicable laws. As a result, the Underlying Fund's distribution rates and payment frequency are expected to vary from quarter-to-quarter.

All income of the Fund must be distributed each financial year. CIML may vary the distribution frequency without providing you with notice.

HOW WILL MY DISTRIBUTIONS BE PAID?

On the Fund's application form you may nominate to re-invest your income as additional Units in the Fund, or to receive your income by direct credit.

You can alter your distribution method by sending a written request to the Fund Administrator, ten (10) Business Days before the end of a distribution period (i.e. ten (10) Business Days before quarter end). All income distributions may be subject to income tax, irrespective of whether they are reinvested. Please consult your tax Adviser for further information.

HOW IS THE DISTRIBUTION CALCULATED?

CIML may pay distributions from the Fund at certain specified times during the financial year and is expected to pay distributions at least on a quarterly basis. CIML anticipates that distributions from the Fund will be paid quarterly, but this may change from time to time.

You will be entitled to receive a distribution for a particular period if you hold Units on the last day of the relevant period. Your entitlement is based on the proportion to the number of Units held in the Fund that you hold on the last day of the relevant period. CIML anticipates that the amount distributed for each distribution period will be based on the taxable income of the Fund for the distribution period.

CIML may determine to offer distribution reinvestment in accordance with the relevant provisions of the Constitution and the procedure for reinvestment of distributions is to be determined by CIML and notified to Investors from time to time.

9.4 Different classes

This PDS applies to Units in the Fund. Where permitted under the Constitution, CIML may issue more than one class of units in the Fund under a separate PDS or information memorandum. Different classes of units may have different terms of issue, including in respect of matters such as minimum initial investment amounts, minimum additional investment amounts, fees, distribution payment times and other matters. CIML is required by law to treat all investors within a class equally and all investors in different classes fairly.

Although CIML seeks to ensure that the liabilities of one class are kept separate from all other classes, there is a risk that investors of different classes may be exposed to liabilities of another class of units, and they could lose some or all of their investment in the Fund.

9.5 Fund 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 CIML with any other documentation required by it or any law.

You can obtain a transfer form by contacting Channel Client Services on 1800 940 599 or via email at clientservices@channelcapital.com.au (see section 17). CIML reserves the right to refuse to register a transfer of Units.

9.6 Custodian

The Fund Custodian has been appointed to hold the assets of the Fund on CIML's behalf. From time to time, CIML under its Australian financial services licence may hold the non-cash assets of the Fund itself. Any fees CIML pays to the Fund Custodian or CIML, as applicable, are paid out of the Management Fee referred to in section 10 and are not an additional charge to you.

9.7 Fund Administrator

The Fund Administrator has been appointed to be the administrator and unit registrar for the Fund. Any fees CIML pays to the Fund Administrator are paid out of the Management Fee referred to in section 10 and are not an additional charge to you.

10. Fees and other costs

10.1 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 fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

10.2 Fees and costs table

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document, refer to section 12 for more information.

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

FEES AND COSTS SUMMARY

CC Wellington Multi-Sector Credit Fund – Class A		
Type of fee or cost	**Amount**[1]	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment	Management fees and costs of 0.70% per annum of the Fund's Net Asset Value referable to the Units, comprised of: • a management fee of 0.69% per annum of the Net Asset Value of the Fund referable to the Units ('**Management Fee'**); • estimated indirect costs of 0.00% per annum of the Net Asset Value of the Fund referable to the Units; and • estimated expense recoveries of 0.01% per annum of the Net Asset Value of the Fund referable to the Units, which includes an establishment fee.[7]	The Management Fee is calculated daily and accrued monthly in the Fund's Unit price and is generally paid monthly in arrears. The Management Fee is paid from the assets of the Fund referable to the Units. The amount of this fee can be negotiated or rebated for wholesale clients.[3] Indirect costs (which are included in the management fees and costs) are paid out of the assets of the Fund or an interposed vehicle as and when incurred. Normal operating expenses of the Fund (other than the abnormal or extraordinary expenses, indirect costs and transaction costs) that would otherwise be recoverable from the Fund are paid by CIML out of the Management Fee at no additional charge to you. CIML will be paid an establishment fee.[7] Please refer to the '**Establishment Fee'** sub-section in section 10.4 for more information. Abnormal or extraordinary expenses of the Fund (if incurred) are paid from the Fund assets as and when incurred and are reflected in the Unit price.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated performance fee of 0.00% per annum of the Net Asset Value of the Fund referable to the Units, comprised of: • a performance fee of 0.00% per annum of the Net Asset Value of the Fund referable to the Units ('**Performance Fee**'); and • estimated interposed vehicle performance fees of 0.00% per annum of Net Asset Value of the Fund referable to the Unit based on the performance fee for the 1 year since inception of the Underlying Fund.	Although entitled to do so in the Constitution, the Fund does not currently charge a performance fee. Performance fees charged by interposed vehicles are deducted from the assets of the interposed vehicles as and when incurred and are therefore reflected in the Underlying Fund's Net Asset Value and the value of the Fund's investment in the Underlying Fund. The Underlying Fund does not charge a performance fee.

Transaction costs[5] The costs incurred by the scheme when buying or selling assets	Estimated to be 0.01% per annum of the Net Asset Value of the Fund referable to the Units ('**Transaction Costs**')	Transaction costs generally arise as a result of applications and redemptions and the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred and reflected in the Unit price. Any transaction costs of an interposed vehicle are reflected in the value of the Fund's investment in the Underlying Fund (and therefore reflected in the Unit price).
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2, 4]		
Establishment fee The fee to open your investment	Nil.	Although entitled to do so under the Constitution, the Fund does not currently charge an Establishment Fee.
Contribution fee The fee on each amount contributed to your investment	Nil.	Although entitled to do so under the Constitution, the Fund does not currently charge a Contribution Fee.
Buy–sell spread[6] An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on redemption.	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and redeeming Investors of the Fund, respectively, at the time of the relevant application or redemption.
Withdrawal fee The fee on each amount you take out of your investment	Nil.	Not applicable.
Exit fee The fee to close your investment	Nil.	Not applicable.
Switching fee The fee for changing investment options	Nil.	Not applicable.

1. All figures disclosed are inclusive of GST less any reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to CIML.
2. All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 4, all fees reflect CIML's reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect CIML's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days' prior notice will be given to Investors before any such increase.

3. The amount of this fee may be negotiated or rebated (for wholesale clients). Please refer to the "Differential fees" sub-section in section 10.4 of this PDS for further information.
4. Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. Please refer to the "Remuneration of financial advisers" sub-section in section 10.4 of this PDS for further information.
5. The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting Investors where applicable. Please refer to the "Additional explanation of fees and costs" section below for further information.
6. In estimating the buy-sell spread for the Fund, CIML has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for CIML to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. CIML may vary the buy-sell spreads for the Fund from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on the Fund's website at www.channelcapital.com.au/funds. Please refer to the "Additional explanation of fees and costs" section below for further details.
7. Please note that CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund. This fee forms part of the estimated expense recoveries of 0.01% per annum of the Net Asset Value of the Fund referable to the Units. The estimated expense recoveries of 0.01% p.a. of the Net Asset Value of the Fund is based on the assumption that the assets of the Fund are equal to $500 million and includes this establishment fee.

10.3 Example of fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Units in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – *CC Wellington Multi-Sector Credit Fund – Class A*		**BALANCE OF $150,000 WITH A 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 fees and costs[3,4,6]	0.70% of the Net Asset Value of the Fund referable to the Units	**And**, for every additional $150,000 you have in the Fund, you will be charged or have deducted from your investment $1,050.00 each year.
PLUS Performance fees[5]	0% of the Net Asset Value of the Fund referable to the Units	**And**, you will be charged or have deducted from your investment $0 in Performance Fees each year.
PLUS Transaction costs[3]	0.01% of the Net Asset Value of the Fund referable to the Units	**And**, you will be charged or have deducted from your investment $15.00 in transaction costs each year.
EQUALS Cost of the *CC Wellington Multi-Sector Credit Fund – Class A*		If you had an investment of $150,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs in the range of: $1,065.00[1,2] **What it costs you will depend on the fees you negotiate**.

1. Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. You should refer to the “Statement of Advice” which details any fees that may be payable for their advice.

2. Please also note a buy-sell spread may apply to investments into and redemptions from the Fund, which is not taken into account in this example. Please refer to the “Additional explanation of fees and costs” in this PDS for further details.

3. This example is prescribed by the Corporations Act, and each is based on an assumption that the additional $5,000 investment in the Fund occurs on the last Business Day of the year (and therefore, the management fees and costs are calculated using an investment balance of $150,000 only). This example also assumes that the value of your investment in the Fund remains constant at $150,000 throughout the year and that there are no abnormal or extraordinary expenses during the year. Please note that this is just an example for illustrative purposes only. In practice, the amount payable depends on the circumstances of each Investor and will vary.

4. All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 4, all fees reflect CIML’s reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect CIML’s reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the “Additional explanation of fees and costs” section for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days’ prior notice will be given to Investors before any such increase.

5. The amount of this fee may be negotiated or rebated (for wholesale clients). Please refer to the “Differential fees” sub-section in section 10.4 of this PDS for further information.

6. Please refer to footnote 4 of the fees and costs summary table above and the “Additional explanation of fees and costs” in section 10.4 of this PDS for further details.

7. The management fees and costs comprise of the Management Fee, indirect costs and expense recoveries. Please note that CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund. The estimated expense recoveries of 0.01% p.a. of the Net Asset Value of the Fund is based on the assumption that the assets of the Fund are equal to $500 million and includes this establishment fee.

10.4 Additional explanation of fees and costs

Set out below is additional information about management fees and costs of the Fund, performance fees, Transaction Costs, and other information about fees and other costs in relation to the Fund.

MANAGEMENT FEES AND COSTS

Management fees and costs are expressed as a percentage of the Fund's Net Asset Value referable to the Units. The management fees and costs of the Fund include the Management Fee, indirect costs (if any) and expense recoveries. These costs are reflected in the Unit price and are not an additional cost to you. Management fees and costs do not include transaction costs (i.e. costs associated with investing the underlying assets of the Fund, some of which may be recovered through buy-sell spreads).

Management Fees

CIML is entitled to be paid a management fee out of the assets of the Fund. The management fee is 0.69% p.a. of the NAV of the Fund referable to the Class A units (inclusive of GST and RITC) ('**Management Fee**'). This fee is calculated daily and is generally payable monthly in arrears out of the assets of the Fund.

From the Management Fee, CIML will pay all of the fees and costs associated with managing your investment.

Expenses incurred in administering the Fund are also paid by CIML from the Management Fee. These expenses include registry, administration, custodian, accounting, audit and legal costs. If any extraordinary or unusual expenses are incurred, CIML may choose to recover these costs from the Fund and this will be reflected in the Unit price.

Indirect costs

Indirect costs of the Fund are costs (excluding the Management Fee, expense recoveries, transaction costs and buy-sell spread) incurred in managing the Fund's assets which CIML knows, or reasonably estimate, have or will reduce, directly or indirectly, the return on the Fund or interposed vehicle in which the Fund invests. Indirect costs include management fees and costs that may be incurred by, or payable in respect of, the interposed vehicles in which the Fund invests.

The impact of such costs will typically be reflected in the Underlying Fund's Net Asset Value and by extension in the Unit price of the Fund, and as such are an additional cost to you but are not paid to CIML.

The management fees and costs figure of 0.70% per annum disclosed in the fees and costs summary in this PDS includes the estimated indirect costs of 0.00% per annum of the Net Asset Value of the Fund, which is the reasonable estimate of CIML at the date of this PDS. The estimated indirect costs are 0.00%, given CIML's decision to reimburse the Fund in respect to the Underlying Fund Management Fee and Administrative Fee by the Underlying Fund, discussed below:

1. *Underlying Fund Management Fee*

   The Underlying Fund Investment Manager is entitled to receive an investment management fee from the assets of certain share classes of the Underlying Fund ('**Underlying Fund Management Fee**'). The Underlying Fund Management Fee is calculated as a percentage of the Net Asset Value attributable to each relevant share class, accrued daily and paid monthly in arrears. The Fund will invest in the Class S shares of the Underlying Fund. The annual investment management fee charged by the Underlying Fund in respect of the Class S shares is 0.45% of the Underlying Fund's Net Asset Value.

   CIML will reimburse the Fund for any Underlying Fund Management Fee incurred as a result of the Fund's investment in the Underlying Fund. Such reimbursement will be made from the Management Fee CIML receives or from other resources available to it and will be paid periodically in arrears. The reimbursed amount will be accrued daily and reflected in the Fund's unit price. Accordingly, as the Fund will be fully reimbursed for any Underlying Fund Management Fee incurred (resulting in a net cost of nil to the Fund), no amount is included for such indirect costs in the 'Fees and costs summary' table in section 10.2 of the PDS.

2. *Underlying Fund Administration Fee*

   The Underlying Fund is subject to an administration fee that is charged at the share class level and is payable to the Underlying Fund AIFM or a Wellington affiliate designated by the Underlying Fund AIFM ('**Underlying Fund Administration Fee**'). The Underlying Fund Administration Fee is intended to provide the Underlying Fund with a fixed-cost mechanism to cover a wide range of operational and administrative expenses that might otherwise vary over time. In respect of the class S shares of the Underlying Fund, in which the Fund invests, the maximum administration fee is 0.25% per annum of the daily net asset value of class S shares of the Underlying Fund. For the most recent financial year, the actual Underlying Fund Administration Fee was 0.12% per annum. This fee accrues daily and is typically paid quarterly in arrears.

CIML will reimburse the Fund for any Underlying Fund Administration Fee incurred as a result of the Fund's investment in the Underlying Fund. Such reimbursement will be made from the Management Fee CIML receives or from other resources available to it and will be paid periodically in arrears. The reimbursed amount will be accrued daily and reflected in the Fund's unit price. Accordingly, as the Fund will be fully reimbursed for any Underlying Fund Administration Fee incurred (resulting in a net cost of nil to the Fund), no amount is included for such indirect costs in the "Fees and costs summary" table in section 10.2 of the PDS.

The actual indirect costs that the Fund incurs may differ from the estimated indirect costs disclosed in this PDS.

Expense recoveries

Establishment fee

CIML incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML will charge a fund establishment fee equal to an amount up to $256,250 (inclusive of GST less any available RITC), which will be paid from the Fund assets over a period of up to five years starting from the issue of the first Units in the Fund This fee forms part of the estimated expense recoveries of 0.01% per annum of the Net Asset Value of the Fund referable to the Units (and forms part of the management fees and costs).

Normal operating expenses

Generally, any expenses that CIML may recover from the Fund is paid out of the Management Fee and are not an additional charge to you. However, CIML may, from time to time, determine to recover normal operating expenses out of the assets of the Fund in accordance with the Constitution.

Normal operating expenses of the Fund that CIML may recover through the Management Fee include registry, administration, custodian, accounting, audit and legal costs.

Abnormal or Extraordinary Expenses

Generally, normal operating expenses incurred in managing the Fund will be paid from the Management Fee. However, in addition to such normal operating expenses, if abnormal or extraordinary expenses are incurred, CIML has the right under the Constitution to recover abnormal or extraordinary expenses out of the assets of the Fund. Abnormal or extraordinary expenses are expected to occur infrequently and may include (without limitation):

- convening of an investors' meeting;
- termination of the Fund;
- amending the Constitution;
- defending or bringing of litigation proceedings; and
- replacement of CIML as the responsible entity of the Fund.

PERFORMANCE FEE

The Fund will not charge a Performance Fee.

Performance fees charged by interposed vehicles, specifically the Underlying Fund, are reflected in the net asset values of those vehicles and, as a result, are indirectly reflected in the value of the Fund's investment in the Underlying Fund. These performance fees are borne at the level of the relevant interposed vehicle and are not charged directly to Investors in the Fund.

Underlying Fund's performance fee

The Underlying Fund will not charge a Performance Fee.

TRANSACTION COSTS

In managing the assets of the Fund, the Fund may incur transaction costs which may include, but are not limited to, buy-sell spread, settlement costs, clearing costs, and stamp duty custody transaction costs on investment transactions.

Transaction costs also include transaction costs of the interposed vehicles in which the Fund invests, including the Underlying Fund.

Transaction costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transaction costs not covered by the buy-sell spread. Transaction costs which are incurred, where it has not already been recovered by the buy-sell spread charged by CIML (if any), are reflected in the Unit price. As these costs are factored into the asset value of the Fund's assets and reflected in the Net Asset Value of the Fund referable to the Units, they are an additional cost to you and are not a fee paid to CIML.

Transaction costs are not included in the Fund's management fees and costs. Instead, they are recovered from the assets of the Fund or interposed vehicles in which the Fund invests, as and when they are incurred and therefore are an additional cost to you.

The Fund's estimated gross transaction costs are 0.00% per annum of the Net Asset Value of the Fund referable to the Units.

The transaction costs as set out in the "Fees and costs summary" are shown net of any amount recovered by the way of the buy-sell spread charged by the Fund, and as a percentage of the Net Asset Value of the Fund referable to the Units. The Fund's estimated net transaction costs are 0.01% per annum of the Net Asset Value of the Fund referable to the Units.

Please note, the Fund's estimated transaction costs may not provide an accurate indicator of the actual transaction costs that you may incur in the future.

The Underlying Fund implements a swing pricing mechanism (as described in section 6.3) which allows the Underlying Fund AIFM to adjust the Underlying Fund's net asset value in certain circumstances to allocate transaction and market impact costs to subscribing or redeeming investors. While this mechanism may have an effect similar to a buy-sell spread, it forms part of the Underlying Fund's valuation policy and is not a buy-sell spread applied by the Underlying Fund.

BUY-SELL SPREADS

A buy-sell spread is an amount deducted from the value of an Investor's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

The Constitution permits CIML to impose a buy-sell transaction cost to cover the expenses relating to the purchase or sale of Fund assets associated with an application or redemption.

The buy-sell spread as at the date of this PDS is 0.00% of the application amount on application and 0.00% of the withdrawal amount on redemption as CIML does not currently impose a buy-sell spread.

If the Underlying Fund commences applying a buy-sell spread to applications and redemptions, CIML would seek to apply a buy-sell spread to applications and redemptions from the Fund to pass such costs to the Fund's Investors entering or exiting the Fund.

CHANGES TO FEES

The Constitution sets out the fees and expenses payable by the Fund. All fees in this PDS can change without the consent of the Investors. Reasons for a change may include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Fund. You will be given notice of any variation of fees or charges charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in the Management Fees charged by the Fund), 30 days before the increase takes effect. Changes to expenses, indirect costs, performance fees of interposed vehicles, transaction costs and the buy-sell spread do not require prior written notice to you.

Any fees and costs stated in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time.

The Constitution sets the maximum amount CIML can charge for all fees. If CIML wishes to raise fees above the amounts allowed for in the Constitution, CIML will need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution.

CIML may in its absolute and unfettered discretion waive, reduce, refund or defer any part of the fees and expenses that CIML is entitled to receive under the Constitution.

The Underlying Fund Investment Manager has the authority to adjust the Underlying Management Fee and Underlying Performance Fee. Any changes to these fees must be communicated to the Shareholders in advance, and the adjustments will be reflected in the subsequent calculation periods

MAXIMUM FEES

Please note that the fees set out below represent the maximum amounts payable under the Constitution and are not the actual amounts charged. The Constitution provides that the following fees may be payable to CIML:

- Management Fee – the Constitution permits CIML to charge a management fee of up to 3.3% per annum (including GST) of the gross asset value of the Fund;
- Administration Fee – the Constitution allows for an administration fee of up to 1.65% (inclusive of GST) of the gross asset value of the Fund. CIML does not currently charge an administration fee and does not intend to charge an administration fee in the foreseeable future; and
- Performance Fee – the Constitution allows a performance fee of up to 38.5% (inclusive of GST) of the amount by which the Fund's performance outperforms the return of a benchmark. CIML does not currently charge a performance fee and does not intend to charge a performance fee in the foreseeable future; and
- Entry Fee – the Constitution permits CIML to charge an entry fee of up to 3.3% (inclusive of GST) on applications into the Fund. CIML does not currently charge an entry fee and does not intend to charge an entry fee in the foreseeable future; and
- Removal Fee – the Constitution permits CIML to charge a fee payable on removal (other than as a result of a determination by ASIC or an Australian Court, or an acknowledgment by CIML, of its gross negligence in the management of the Fund or for a material fiduciary breach) of up to 5.5% (inclusive of GST) of the gross asset value of the Fund.
- Establishment Fee – the Constitution permits CIML to charge an establishment fee of $385,000 for work performed by CIML in the establishment of the Fund. This fee is accrued in the Net Asset Value and payable from commencement of the Fund.
- Custodian Replacement Fee – the Constitution permits CIML, in circumstances where an external and independent custodian has been appointed and is subsequently replaced by CIML or a related party of CIML, to charge a fee of up to 2% per annum (inclusive of GST) of the gross asset value of the Fund. This fee is calculated and payable monthly in arrears.

REMUNERATION OF FINANCIAL ADVISERS

Your financial adviser (if you use one) may receive fees for services they provide to you. These fees and benefits will be directly paid by you and, depending on your adviser, may be deducted from your initial investment in the Fund by your adviser prior to you being allocated Units.

CIML does not pay commissions to financial advisers.

PAYMENT TO PLATFORMS

Payments may be made to a platform where they include one or more funds operated by CIML on their menu. Any platform payments are deducted from the Fund's management fee and are not a separate charge to you.

DIFFERENTIAL FEES

There may be differing fee arrangements for you in different classes. Rebates of management fees may be negotiated between Wellington and / or CIML and certain wholesale clients as defined by the Corporations Act. These arrangements reflect terms privately agreed with each wholesale client. Neither Wellington nor CIML (contact details for both can be found in section 17 of this PDS) are under any obligation to make arrangements on these terms available to all other Investors (including other wholesale clients).

TAX AND DUTIES

In addition to the fees and costs described in this section, you should also consider the government taxes and other duties that may apply to an investment in the Fund.

All fees and expenses referred to in the PDS and this section are quoted on a GST inclusive basis, less any RITC available to the Fund, unless otherwise specified. The benefits of any tax deductions are not passed on to Investors in the form of a reduced fee or cost.

See further information on taxation at section 12 of this PDS.

11. Investing in the Fund

11.1 Applications

The Unit price and Net Asset Value of the Fund are calculated and determined each Business Day. To invest in the Fund, applications must be received, verified and accepted and cleared application monies received in the Fund's application bank account by 12 noon (Sydney, New South Wales time) on a Business Day to receive the Unit price for the following Business Day. An application request (together with the cleared application monies) received, verified and accepted after 12 noon (Sydney, New South Wales time) on any Business Day is deemed to be received, verified and accepted the next Business Day and processed using the Unit price for the following Business Day. CIML may accept applications in limited circumstances and in its absolute discretion, after this time. You can obtain an application form by contacting Channel Client Services (see section 17).

For an application to be valid, it must be correctly completed, and it must comply with the designated minimum investment amounts (as per the Key Fund information in section 1 of this PDS) and be appropriately signed by the applicant(s). CIML may, at its discretion, accept amounts less than the minimum investment amounts.

If, for any reason, CIML is unable to process your application (for example, the application form is incomplete or incorrectly completed or CIML is not satisfied that it has received the necessary proof of identification requirements to comply with the "AML Requirements," as defined in section 14 of this PDS), the application monies will be held by CIML in a trust account for up to 30 days (while CIML endeavours to verify your identification information or obtain any necessary outstanding information) after which CIML will return the application monies to you. Any interest received on application monies, including monies for additional investments will be retained by the Fund, and no interest will be paid to you if for any reason your application cannot be accepted.

CIML reserves the right not to accept (wholly or in part) any application for any reason or without reason. If CIML refuses to accept an application, any monies received from you will be returned to you without interest.

Investors may also access the Fund indirectly. This PDS has been authorised for use by IDPS Operators. Such Indirect Investors do not acquire the rights of an Investor of the Fund except in relation to CIML's complaints resolution process. Rather, it is the operator or custodian of the IDPS that acquires those rights. Therefore, Indirect Investors do not receive income distributions or reports directly from us, do not have the right to attend meetings of Investors and do not have cooling off rights. Indirect Investors should not complete the Fund's application form. The rights of Indirect Investors are set out in the disclosure document for the IDPS. If you are investing through an IDPS, enquiries should be made directly to the IDPS Operator.

11.2 Additional applications

If you are an existing Investor in the Fund you may apply for additional Units by completing an additional application form. It is not necessary for you to complete another full application form. Please insert your investor number, name and personal details as well as your additional investment amount into the spaces provided on the form.

Additional investments can be made (in accordance with the application process and timings set out in this section), by providing CIML with a completed additional application form. The additional investment amount will be added to your existing investment in the Fund. 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.

11.3 Redemptions

FUND

It is expected that CIML will generally process requests for redemption daily on each Business Day ('**Redemption Date**'), following CIML's acceptance of a completed redemption request, where liquidity is available.

Notwithstanding this intention and expectation, redemption requests are to be made in writing by completing a redemption form to be received, verified and accepted by the Fund Administrator by 12 noon (Sydney, New South Wales time) on a Business Day to receive the withdrawal amount calculated using the Unit price for the following Business Day. A redemption request received, verified and accepted after 12 noon (Sydney, New South Wales time) on a Business Day, will be deemed to be received, verified and accepted on the next Business Day and the withdrawal amount payable is calculated using the Unit price for the following Business Day, subject to the withdrawal process described below. You can obtain a redemption form by contacting Channel Client Services (see section 17).

Your Units will be redeemed based on the Net Asset Value of the Fund referable to the Units prevailing at the time. As part of the redemption proceeds, Investors will receive their share of any net income of the Fund for the period of time during which their Units were issued in the relevant distribution period. These proceeds are included in the Unit price. Investors will also receive their share of the capital value of the Fund on redemption.

Investors do not have a right to withdraw from the Fund. Under the Constitution, CIML has the discretion, but not the obligation, to offer Investors the opportunity to redeem their Units in the Fund from time to time, on such terms as CIML may determine. Any redemption facility is therefore subject to CIML's discretion and may be suspended, withdrawn or amended at any time.

If your redemption request would result in your investment balance being less than $100,000, CIML may treat your redemption request as being for your entire investment. CIML will provide Investors with advance notice of any compulsory redemptions. The minimum balance does not apply to investments through an IDPS.

There may be circumstances where your ability to redeem from the Fund is delayed, restricted or refused in part or in full, including circumstances where:

- redemption would be prejudicial to other Investors, such as where there is a large single redemption, a number of significant redemptions together or adverse market conditions;
- asset sales cannot occur in the usual timeframe; or
- it is not practicable to sell investments in the Fund in the usual timeframe.

In the event of any material changes to an Investor's withdrawal rights in the Fund (for example, in the circumstances that withdrawal rights are to be suspended), CIML will ensure that such information is made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds.

For more information about such redemption risks, see risks in section 8 related to withdrawal and liquidity.

If the Fund is deemed "illiquid" (holding less than 80% in liquid assets), redemptions will only be permitted under a regulated withdrawal offer in accordance with the Corporations Act, which CIML is not obliged to make.

The amount available to fund redemption requests is subject to the available cash of the Fund on the relevant Redemption Date. The cash available to fund redemption requests may, from time to time, be limited.

If the Fund does not have sufficient cash to meet all redemption requests for a Redemption Date, redemptions will be partially accepted and processed pro-rata across all redeeming Investors. The amount redeemed will be based on the amount of redemption requests relative to the amount of cash CIML reasonably considers is available to fund redemptions on the relevant Redemption Date.

Any redemptions rejected in either whole or in part on a Redemption Date will not be carried over to the next Redemption Date for processing and will be considered cancelled either in whole or part at the absolute discretion of CIML. A new redemption request will need to be submitted for the next Redemption Date.

To meet redemption requests for a Redemption Date, CIML may satisfy requests using available cash or, where necessary, redeem some of the Fund's interests in the Underlying Fund to generate liquidity. However, the Underlying Fund will have limited liquidity, which may delay redemptions.

Once CIML has decided to accept a redemption request in part or in whole, CIML has up to 201 Calendar Days to effect the redemption request, which may include, where necessary, redeeming some of the Fund's interest in the Underlying Fund. Under normal circumstances, it is CIML's expectation that the redemption request will be processed within 21 Calendar Days of the redemption request being accepted however, this may not always be the case and there are a number of factors that may delay the processing of redemptions, such as the inability of CIML to redeem the Fund's shares in the Underlying Fund or other operational or market-related issues.

In certain circumstances, CIML may suspend redemptions for up to 180 Calendar Days in accordance with the Constitution, including (without limitation) if it believes this is in the best interests of Investors to do so or if it cannot realise all Fund assets in cash.

Redemption proceeds will generally be paid within 31 Calendar Days after the relevant Redemption Date, subject to the rights and obligations of CIML set out in this section 11.3.

Under the Corporations Act, the Fund is illiquid if it has less than 80% in liquid assets (generally cash, marketable securities, or other assets that CIML reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests whilst the Fund is liquid, being 201 Calendar Days), made up of the period of:

- 21 Calendar Days to affect a redemption request; and
- 180 Calendar Days where redemptions are suspended.

The relevant redemption proceeds must be paid to a redeeming Investor within 10 Calendar Days following the redemption of their Units in the Fund.

If you have invested indirectly in the Fund through an IDPS, you need to provide your redemption request directly to your IDPS Operator. The redemption cut-off times for pricing purposes and the time to process a redemption request is dependent on your IDPS Operator.

If the Fund is, for the purposes of the Corporations Act, "illiquid", Investors will only be able to withdraw from the Fund under a regulated withdrawal offer in accordance with the Corporations Act. CIML is not required to make such a withdrawal offer.

UNDERLYING FUND

The Fund may redeem its shares in the Underlying Fund on any Underlying Fund Redemption Date (as defined below), subject to the procedures and restrictions described below. An "**Underlying Fund Redemption Date**" refers to a day designated by the Underlying Fund as a Business Day on which redemptions of shares are processed in accordance with the Underlying Fund's governing documents and administrative procedures. Redemption requests must be received in good order by the Underlying Fund Administrator before the relevant dealing deadline. Requests received after the dealing deadline will be deemed to have been received on the following Underlying Fund Redemption Date, unless the Underlying Fund's board of directors determines otherwise in its discretion. Redemptions are effected at the Net Asset Value per share of the relevant class, calculated on the Underlying Fund Redemption Date following receipt of a valid redemption request. No redemption fee is charged by the Underlying Fund AIFM or the Underlying Fund.

The redemption price of shares may be greater or less than the acquisition cost, depending on the Net Asset Value at the time of redemption. Payment of redemption proceeds will be made as soon as reasonably practicable following calculation of the redemption price, unless statutory or regulatory constraints (such as foreign exchange controls or restrictions on capital movements) or other circumstances outside the control of the Underlying Fund Administrator prevent the timely transfer of funds. Payments will be made in the currency of the relevant share class or such other permitted currency as elected by the Investor.

Underlying Fund – Redemption Limits and Deferrals

The Underlying Fund AIFM, acting on behalf of the Underlying Fund, may limit redemptions on any Underlying Fund Redemption Date where the total redemption requests exceed the lesser of 7% of the Net Asset Value or USD 100 million (or the equivalent in another currency). In such cases, redemption requests will be reduced on a pro-rata basis, and any unfulfilled portion of a request will be carried forward to the next Underlying Fund Redemption Date. Carried forward redemptions are aggregated with other requests received on subsequent Underlying Fund Redemption Date and are subject to further pro-rata scaling if applicable. Requests that are carried forward do not receive preferential treatment and are treated as new requests on the following Underlying Fund Redemption Date.

In exceptional circumstances, such as where market conditions require the disposal of illiquid assets or where necessary to protect the interests of remaining Investors, the Underlying Fund may defer or reduce redemptions beyond the limitations above. Redemption proceeds may also be paid in kind, in whole or in part, at the discretion of the Underlying Fund's board of directors or at the request of the redeeming Investor. The assets to be transferred in such cases are selected on a fair and equitable basis and are confirmed by the Underlying Fund's auditor. Any related costs may be borne by the redeeming Investor or by the Underlying Fund, at the discretion of the Underlying Fund's board of directors acting in the best interests of remaining shareholders. The Investor bears any transaction costs and market risk associated with converting in-kind redemptions to cash.

Underlying Fund – Swing Pricing and Net Asset Value Adjustments

If redemption activity on a given Underlying Fund Redemption Date is likely to require the Underlying Fund to realise assets at a discount to their carrying value, the Underlying Fund Investment Manager may direct the Underlying Fund Administrator to reduce the redemption proceeds by an amount it determines is necessary to protect the interests of remaining Investors. Alternatively, the Underlying Fund may implement the Underlying Fund Swing Pricing Mechanism to make adjustments to the Underlying Fund's Net Asset Value in accordance with its valuation policy.

Underlying Fund – Minimum Holding Amounts

Where a redemption request would result in the value of an Investor's remaining holdings falling below the minimum holding threshold applicable to the Underlying Fund, the Underlying Fund Investment Manager may, at its discretion, treat the request as a full redemption of that Investor's holdings. Upon payment of the withdrawal amount, the relevant shares are cancelled and cease to have any value or rights.

Underlying Fund – Suspension of Valuations and Redemptions

The board of directors of the Underlying Fund has the discretion to temporarily suspend the calculation of the Net Asset Value of the Underlying Fund, and consequently to suspend the issue, conversion and redemption of shares in the Underlying Fund, in certain circumstances.

These circumstances include where stock or commodity exchanges or other markets that form the basis for valuing a major part of the Underlying Fund's assets, or the relevant foreign exchange markets in which the Net Asset Value or a considerable portion of the Underlying Fund's assets, are closed (other than regular public holidays), or where trading on such markets is limited, suspended, or temporarily exposed to severe fluctuations. Suspension may also occur where force majeure events, including but not limited to cyberattacks, political unrest, economic or military emergencies, or other events beyond the control, liability and influence of the Underlying Fund's board of directors, rendering the disposal of assets impossible under normal market conditions, or where any such disposal would be detrimental to the interests of shareholders.

Valuation may also be suspended where there are disruptions to the communications network or any other circumstance that prevents the reliable determination of a material portion of the net assets of the Underlying Fund. Similarly, suspensions may occur where there are restrictions on currency exchange operations or other asset transfer mechanisms make it impracticable for the Underlying Fund to execute transactions, or where the purchase or sale of assets cannot occur at prevailing market or conversion rates.

In the event of a decision to dissolve or liquidate the Underlying Fund or one or several classes, the valuation of net assets and the issue and redemption of shares may be suspended.

In addition, the issue and redemption of shares in the Underlying Fund will be prohibited during any period in which the Underlying Fund does not have a depository institution in place. Further, dealings will be suspended if the depository institution is subject to insolvency proceedings, including liquidation, bankruptcy, suspension of payments, creditor arrangements, controlled management, or other similar events.

As a result of these provisions, the Fund's ability to process applications or redemptions may be delayed where a suspension has been imposed by the Underlying Fund.

ADDITIONAL INFORMATION

Under the Corporations Act, redemptions are not permitted if the Fund becomes non-liquid (as defined under the Corporations Act). If the Fund is non-liquid, withdrawals from the Fund will only be possible if CIML makes a withdrawal offer in accordance with the Corporations Act. CIML is not obliged to make such an offer. However, if CIML does, you are only able to redeem your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy redemption requests, the requests will be satisfied proportionately amongst those Investors wishing to redeem from the Fund.

Redemption requests must be signed by the appropriate authorised signatories. Bank accounts must be in the name(s) of the Fund's Investor(s) as specified in the application form or as otherwise notified to CIML. Proceeds will be paid in AUD.

Investors should be aware that CIML reserves the right to make changes to withdrawal rights, including the suspension of such rights, under certain circumstances as permitted by law and the Constitution. In the event that a material change to withdrawal rights is deemed necessary, CIML will ensure that such information is made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds. Investors are encouraged to review all communications from CIML carefully, as any material changes to withdrawal rights could impact their ability to access their investment within the expected timeframe. CIML remains committed to acting in the best interests of Investors and will endeavour to provide as much notice as possible regarding any significant changes to withdrawal rights.

11.4 Cooling off period

The offer under this PDS is only available to wholesale clients and no cooling off rights apply to Investors.

If you are an Indirect Investor and are investing through an IDPS, you should contact your IDPS Operator to confirm any cooling off rights you may have with your IDPS Operator. If you invest through an IDPS you will not acquire direct rights as an Investor and as such, the terms of the IDPS guide will govern your rights and obligations with respect to your investment.

12. Taxation

12.1 Overview

There are tax implications when investing in, and withdrawing and receiving income from, the Fund. CIML cannot give tax advice and CIML recommends that you consult your professional tax adviser as the tax implications of investing in the Fund can impact Investors differently. Below is a general outline of some key Australian tax considerations for Investors. It is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for Investors. Nor does it cover the application of foreign taxation laws. This information is based on CIML's current interpretation of the relevant Australian taxation laws and does not consider an Investor's specific circumstances. As such, Investors should not place reliance on this as a basis for making their decision as to whether to invest.

12.2 Tax treatment of the Fund

CIML, as responsible entity of the Fund, intends to manage the Fund such that it is not subject to Australian tax. To achieve this, CIML proposes to make, if it is eligible to do so, an irrevocable choice for the Fund to become an Attribution Managed Investment Trust ('**AMIT**') from the income year of establishment. CIML, as responsible entity of the Fund, intends to manage the Fund so that it is eligible to be an AMIT. If, however, due to factors outside of CIML's control, the Fund is not able to qualify as an AMIT, CIML will notify Investors of this.

12.3 Taxation of Investors

While the Fund is an AMIT, Australian tax resident Investors will be assessed for tax on their attributed share of the Fund's taxable income. Foreign tax resident Investors may be subject to withholding tax or have tax paid on their behalf by CIML in relation to the attribution of taxable income components to them. However, on the basis that all of the income of the Fund is anticipated to be foreign sourced, it is not expected that significant withholding should apply to distributions from the Fund.

On the basis that the Fund will be primarily invested in the Underlying Fund, and the Underlying Fund is likely to be treated as a foreign company for Australian income tax purposes, most of the income of the Fund should be in the form of foreign sourced dividends. It is not anticipated that the Fund's level of investment in the Underlying Fund should result in the Fund being subject to taxation on the "controlled foreign company" rules on its investment in the Underlying Fund. While the Fund is an AMIT, income earned by the Fund that is attributed to you, should form part of an Australian tax resident's assessable income in the year of attribution. This is the case irrespective of whether the Fund pays the distribution that is attributable to that income after the end of the year of income, or you reinvest the relevant distribution.

CIML also has the power to accumulate (and not distribute) taxable income, which means that you may be attributed taxable income that is never distributed. At this stage, CIML does not anticipate that it will use its powers to accumulate taxable income.

At the end of the Fund's tax year, CIML will send to you the details of all of the assessable income, and tax credits attributed to you for that year. This information should assist you in completing your income tax return for that year.

12.4 Capital gains tax ('CGT')

Australian resident investors may be subject to CGT on their Units in the Fund.

In particular, an Australian resident investor may make a capital gain or loss on their units in the Fund if they redeem their units in the Fund.

The amount of the capital gain or loss that arises for an Australian resident investor on the redemption of their units in the Fund should be based on the difference between the capital proceeds they receive on redemption, and the "cost base" or "reduced cost base" of their units in the Fund.

The "cost base" or "reduced cost base" of an Investor's units in the Fund should be based on the amount paid for the units, as adjusted for any adjustments that arise during the Investor's holding of units in the Fund. While the Fund is an AMIT, the AMIT cost base adjustment regime should apply to Investors in the Fund such that if, for a year:

- the amount distributed to that Investor exceeds the assessable income components attributed to them for that year (for example, the Fund undertakes a return of capital), Investors should decrease the "cost base" or "reduced cost base" of their units by the excess; or

- the amount distributed to that Investor is less than the assessable income components attributed to them for that year (for example, CIML determines to accumulate taxable income in the Fund), Investors should increase the "cost base" or "reduced cost base" of their units by the shortfall.

The amount of any AMIT cost base adjustment will be notified to Investors in the AMIT tax statement that they receive at the end of each financial year.

Australian tax residents must include in their assessable income for each year their net capital gains (i.e. after offsetting any available capital losses). Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to their Units where they have held those Units for at least twelve (12) months. For example, where Australian tax residents have held their units for at least 12 months, a 50% CGT discount may be available for individuals and trustees, and a 33 1/3% discount for complying superannuation entities.

Foreign tax residents should only be subject to CGT on Australian-sourced capital gains made by the Fund or if the Units they are disposing of are taxable Australian property. However, it is unlikely that the Units should constitute taxable Australian property, unless they are held by the foreign tax resident through a "permanent establishment" in Australia.

12.5 Goods and services tax ('GST')

Unless otherwise stated, the fees and other costs shown in this PDS include the net effect of Goods and Services Tax ('**GST**'), less any input tax credits ('**ITCs**') or reduced input tax credits ('**RITCs**'). The rate of GST may change if the relevant law changes.

The application for, or withdrawal of, Units by Investors should not be directly subject to GST. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim ITCs or RITCs for GST incurred on certain expenses.

12.6 Foreign tax offsets

Australian tax residents are required to include in their assessable income their share of any foreign income which forms part of the Fund's net income. Investors may be entitled to a tax offset (or credit) in respect of foreign taxes paid in respect of the foreign source income of the Fund that is attributed to them.

12.7 Tax file number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for Investors to provide their TFN or ABN, and it is not an offence if you decline to provide it. However, unless entitled to an exemption, if an Investor does not provide their TFN or ABN, tax will be withheld from income distributions at the highest marginal tax rate plus the Medicare levy (and any other levies required to be withheld from distributions from time to time). The ABN, TFN or details of an appropriate exemption can be provided on the Fund's application form when making an initial investment. The collection of TFNs is authorised and their use is strictly regulated by tax and privacy laws.

12.8 Taxation of financial arrangements ('TOFA')

Generally, TOFA applies to gains and losses from financial arrangements and how they are treated for income tax purposes.

Under the TOFA rules there is a hedging election that allows tax treatment (including timing) of hedging financial arrangements to align with the tax treatment of the hedged asset. CIML intends to make this hedging election in respect of the foreign currency hedging that will be undertaken in the Fund. If the hedging election is applicable, this should mitigate the risk for significant taxable income to arise for the Fund on its hedging arrangements irrespective of a gain on the underlying hedged asset, and mitigate volatility in the attributable income of the Fund.

Generally, the Fund's Investors are not directly subject to TOFA unless they have elected for the TOFA rules to apply. Regardless of this, you should seek your own taxation advice in relation to the applicability of TOFA to your particular circumstances.

12.9 Stamp duty

Investors should not be liable for stamp duty on the acquisition of their Units. The Fund should not be liable for stamp duty on making investments.

13. Additional Fund information

13.1 Continuous disclosure

When the Fund has more than 100 Investors it will be considered a "disclosing entity" for the purposes of the Corporations Act. This means the Fund will be subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors will have a right to obtain a copy, free of charge, in respect of the Fund, of:

- the most recent annual financial report; and
- any half yearly financial report lodged with ASIC after that most recent annual financial report but before the date of this PDS.

Continuous disclosure obligations will be met by following ASIC's good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly, should CIML as responsible entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of any continuous disclosure obligations, it will ensure that such material information will be made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds. If you would like hard copies of this information, please contact Channel Client Services (please refer to section 17 for more information) and you will be sent the information free of charge.

13.2 Communicating with Investors

Investors will receive the following communications from CIML:

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

Annual financial reports will be made available at www.channelcapital.com.au/funds. They will not be sent to Investors unless requested in writing.

If you are an Indirect Investor investing through an IDPS, you should contact your IDPS Operator to confirm any communications you may receive in relation to the Fund from your IDPS Operator.

13.3 Complaints resolutions

CIML has established procedures for dealing with complaints. CIML aims to resolve any concerns or complaints quickly and fairly and will respond within 30 Calendar Days after receiving the complaint. If an Investor has a concern or complaint, they can contact CIML at:

Channel Investment Management Limited

GPO Box 206

Brisbane QLD 4001

Phone: 1800 940 599

Email: clientservices@channelcapital.com.au

If an Investor is not satisfied with the outcome of their complaint, the complaint can be referred to the Australian Financial Complaints Authority ('**AFCA**'). AFCA is an independent external dispute resolution scheme, and CIML is a member of and participates in AFCA. Complaints should be lodged with AFCA at:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

All Investors, regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS, can access CIML's complaints resolution process outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS Operator directly.

13.4 Constitution

The operation of the Fund is governed by its Constitution, this PDS, the Corporations Act and other laws such as the general law relating to trusts. The Constitution addresses matters such as unit pricing, applications and redemptions, the issue and transfer of Units, Investor meetings, CIML's powers to invest, borrow and generally manage the Fund and fee entitlement and right to be indemnified from the Fund's assets.

You can inspect a copy of the Constitution at ASIC or CIML's head office or request a copy by contacting CIML.

13.5 Compliance plan

The compliance plan outlines the principles and procedures which CIML intends to follow to ensure that it complies with the provisions of its Australian financial services licence, the Corporations Act and the Constitution. Each year the compliance plan is independently audited as required by the Corporations Act and a copy of the auditor's report is lodged with ASIC.

13.6 Consents

Channel, the Fund Administrator, the Fund Auditor, the Fund Custodian, the Underlying Fund, the Underlying Fund AIFM, the Underlying Fund Depositary and Administrator, the Underlying Fund Auditor and Wellington (together, the '**Consenting Parties**') have each given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS for the Fund in the form and context in which they are named.

The Consenting Parties have not been involved, except as otherwise stated in this section, in the preparation of this PDS and do not accept any responsibility or liability for any information contained in this PDS. In addition, the Consenting Parties are not involved in the investment decision-making process for the Fund.

13.7 Labour standards and environmental, social and ethical considerations

CIML does not take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Fund (referred to as Environmental, Social and Governance ('**ESG**')).

The Underlying Fund and the Underlying Fund Investment Manager does not take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Underlying Fund.

The Fund and the Underlying Fund is not designed for investors who are looking for funds meeting specific ESG goals. Neither the Fund nor the Underlying Fund is marketed as an ESG product.

Investors may have differing views, opinions and understanding of the meaning of sustainability and ESG-related terminology used in this PDS to CIML, the Underlying Fund and the Underlying Fund Investment Manager.

13.8 Conflicts of interest

General conflicts of interest

CIML and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its Investors. CIML is responsible for overseeing the Fund's operations, including its investment in the Underlying Fund. In some cases, entities related to or associated with CIML may provide services to the Fund (including distribution or marketing) and may receive fees or other benefits from the Fund for doing so. These arrangements are conducted on arm's length or commercial terms, and the financial benefits received are considered by CIML to represent reasonable remuneration for the services provided.

CIML maintains a conflicts of interest policy and has implemented internal procedures designed to identify, manage and monitor conflicts. These include staff training, restricted trading policies, and compliance oversight. Where a conflict of interest cannot be avoided, CIML will seek to ensure it is appropriately managed and disclosed to investors in accordance with its obligations under Australian legislative and regulatory requirements.

Additionally, certain activities of Wellington and its affiliates, as further described below, may give rise to, and contain embedded, conflicts of interest that are relevant to the Underlying Fund (for example, but without limitation, conflicts of interest relating to inducements, fees and costs, related party transactions, cross-transactions. Competing interests, allocations of investment opportunities and subsequent dispositions).

Wellington and CIML have implemented policies and procedures to seek to identify and appropriately manage conflicts. There is no guarantee however that any such conflicts will be resolved in a manner that will not have an adverse effect on the Fund or Underlying Fund.

Other than as set out in this PDS, there are no existing agreements or arrangements and there are no currently proposed transactions in which CIML was, or is to be, a participant, and in which any related party of CIML had or will have a direct or indirect material interest.

Any agreement has been entered into on arm's length terms between CIML and Wellington. CIML and Wellington may be subject to conflicts of interest when performing their duties in relation to the Fund. Both CIML and Wellington have conflicts of interest policies and procedures in place that are designed to appropriately manage these conflicts of interest that arise in relation to managing the Fund.

Investors should be aware that while CIML takes reasonable steps to manage conflicts, the existence of conflicts may impact investment decisions, fund performance, or the availability of certain investment opportunities.

Underlying Fund

The core service providers of the Underlying Fund – including the Underlying Fund AIFM, the Underlying Fund Investment Manager, and their respective affiliates and personnel – are involved in a range of other investment and professional activities. These may include the management of other funds and separate accounts, the provision of investment advisory services, securities trading, brokerage services, and acting as directors, officers, or agents of other investment vehicles or companies, including those in which the Underlying Fund may invest. These overlapping roles have the potential to give rise to conflicts of interest.

In particular, the Underlying Fund AIFM, the Underlying Fund Investment Manager, and their affiliates may advise other funds and accounts with similar or overlapping investment strategies. As a result, the Underlying Fund may from time to time invest in the same or similar securities as other client accounts. Despite this, the Underlying Fund Investment Manager may implement different investment actions across such accounts based on factors including investor cash flows, differing investment mandates, redemption or subscription activity, or portfolio manager discretion. Accordingly, the Underlying Fund may take opposite positions to other client accounts managed by the Underlying Fund Investment Manager – for example, purchasing securities while another client sells or short sells the same securities – provided such positions are consistent with each client's investment objectives.

It is not expected that investment performance of the Underlying Fund will mirror or match that of any other account managed by the Underlying Fund AIFM or the Underlying Fund Investment Manager, even where similar strategies are employed. While investment orders may be aggregated where appropriate, allocations of investments and divestments are generally made on a pro rata or otherwise fair and equitable basis in accordance with the Underlying Fund Investment Manager's and Underlying Fund AIFM's internal allocation policies.

The Underlying Fund Investment Manager may also provide assistance to the Underlying Fund AIFM in the valuation of the Underlying Fund's assets. This arrangement could give rise to a potential conflict of interest, as the Underlying Fund Investment Manager's fee is based on the Net Asset Value of the Underlying Fund. However, the Underlying Fund AIFM has implemented a dedicated valuation function and risk monitoring procedures to address and mitigate such conflicts.

The Underlying Fund Investment Manager, the Underlying Fund AIFM, their affiliates and employees may also invest their own capital in the Underlying Fund, including by providing seed capital. These investments may be subject to different commercial terms, including reduced or waived fees, and different subscription or redemption terms (e.g. waivers of minimum investment thresholds). Personnel involved in such investments may also have access to information on the Underlying Fund that is not generally available to all investors or may have access on a more timely basis. Where seed capital investments are hedged, the Underlying Fund's exposure to a particular asset may differ from the Underlying Fund Investment Manager's exposure. Hedging activity is carried out by separate personnel to those responsible for the investment management of the Underlying Fund.

The Underlying Fund Investment Manager and its affiliates may also be subject to internal trading restrictions, regulatory obligations or other compliance constraints that limit or restrict the Underlying Fund's ability to invest in or dispose of certain assets. Similarly, redemptions initiated by the Underlying Fund AIFM, the Underlying Fund Investment Manager, or their affiliates may adversely impact the liquidity or performance of the Underlying Fund.

The Underlying Fund Investment Manager has adopted a suite of internal policies and procedures designed to identify, manage and monitor conflicts of interest. These policies include investment allocation protocols, information-sharing controls, swing pricing policies, and disclosure arrangements. Where material conflicts arise, the board of the Underlying Fund seeks to ensure that such conflicts are resolved fairly and equitably, with appropriate disclosure to investors.

While the Underlying Fund AIFM and the Underlying Fund Investment Manager take reasonable steps to mitigate conflicts of interest and ensure fair treatment between investors, the management of conflicts may result in the loss of investment opportunity or may cause the Underlying Fund AIFM or the Underlying Fund Investment Manager to act differently than they would in the absence of such conflicts. This may have an adverse impact on the performance of the Underlying Fund and, by extension, the Fund.

14. Anti-Money Laundering and Counter-Terrorism Financing, and other relevant legislation

14.1 Anti-Money Laundering and Counter-Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('**AML Act**') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML ('**AML Requirements**'), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The Australian Transaction Reports and Analysis Centre ('**AUSTRAC**') enforces the AML Act. In order to comply with the AML Requirements, CIML is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if it considers it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for seven (7) years.

CIML and the Fund Administrator as its agent (collectively the '**AML Entities**') reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the AML Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds, if necessary, to comply with AML Requirements applicable to them. Neither the AML Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The AML Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls transactions may be delayed, blocked, frozen or refused where an AML Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements where transactions are delayed, blocked, frozen or refused, the AML Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and the AML Entities may from time to time require additional information from you to assist in this process. The AML Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

The AML Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

14.2 Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

The United States of America has introduced rules (known as FATCA) which are intended to prevent U.S. persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office ('**ATO**'), which may then pass the information on to the U.S. Internal Revenue Service ('**IRS**').

In order to comply with these obligations, CIML will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund. If you do not provide this information, CIML will not be able to process your application.

The Australian Government has implemented the OECD Common Reporting Standard Automatic Exchange of Financial Account Information ('**CRS**'). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Units in the Fund) to the ATO. In order for the Fund to comply with its obligations, CIML will request that you provide certain information and certifications to it. If you do not provide this information, CIML will not be able to process your application. CIML will determine whether the Fund is required to report your details to the ATO based on its assessment of the relevant information received.

The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 (Cth) to give effect to the CRS.

15. Privacy

CIML has a board of directors approved privacy policy. CIML collects and manage your personal information in accordance with this policy, the Privacy Act 1998 (Cth) ('**Privacy Act**') and the Australian Privacy Principles ('**APP**').

CIML may collect personal information from you in the Fund's Unit application process and any other relevant forms in order to process your application, administer your investment and for other purposes permitted under the Privacy Act. Further, some of the information to be collected, by CIML, in connection with an application is for the purposes of satisfying tax, company and/or anti-money laundering. In some cases, CIML may also collect personal information from third parties including public sources, its related companies, referrers, brokers, agents, your adviser(s) and CIML's service providers.

If you do not provide CIML with your relevant personal information, it will not be able provide you with products or services (such as issuing you Units in the Fund).

Privacy laws apply to CIML's handling of personal information and CIML will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information it collects and holds;
- how it collects and holds personal information;
- whether collection is required or authorised by law;
- the purposes for which it collects, holds, uses and discloses personal information;
- the entities or persons to which personal information is usually disclosed;
- how you may access personal information that it holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the APPs, or a registered APP code (if any) that binds CIML, and how it will deal with such a complaint; and
- whether it is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for CIML to specify those countries.

CIML may also be allowed or obliged to disclose information by law. If a Fund's Investor has concerns about the completeness or accuracy of the information CIML has about them or would like to access or amend personal information held by CIML, they can contact CIML's Privacy Officer at:

Attention:	Privacy Officer
	Channel Investment Management Limited GPO Box 206
	Brisbane QLD 4001
Phone:	1800 940 599

CIML's privacy policy is publicly available at www.channelcapital.com.au or you can obtain a copy free of charge by contacting CIML. If you are investing indirectly through an IDPS, CIML does not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS Operator for more information about their privacy policy.

16. Glossary

ABN	Australian Business Number
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
AIFMD	Alternative Investment Fund Managers Directive
AIFMR	*European Union's* Commission Delegated Regulation (EU) No 231/2013
AMIT	Attribution Managed Investment Trust
AML Act	*Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*
AML Entities	CIML and the Fund Administrator as its agent
AML Requirements	Other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML
APP	Australian Privacy Principles
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
AUD	Australian Dollar currency
AUSTRAC	Australian Transaction Reports and Analysis Centre
Business Day	A day other than Saturday, Sunday, a bank holiday or public holiday in Sydney, New South Wales or where context relates to the Underlying Fund, a Business Day shall be deemed any day that US Federal banks and the New York Stock Exchange are open for business except for: i) Easter Monday, ii) 1st May, iii) the weekday prior to and following Christmas Day as observed by the New York Stock Exchange, and iv) such other days as the Underlying Fund AIFM may from time to time determine
Calendar Day	All days in a month, including weekends and holidays.
Channel	Channel Capital Pty Ltd ACN 162 591 568 (authorised representative number 001274413 of CIML)
CIML, Responsible Entity, we, us, and our	Channel Investment Management Limited ACN 163 234 240 AFSL 439007
CGT	Capital Gains Tax
Consenting Parties	The Fund Administrator, the Fund Auditor, the Fund Custodian, the Underlying Fund, the Underlying Fund AIFM, the Underlying Fund Depositary and Administrator and Wellington
Constitution	The constitution of the Fund
Corporations Act	*Corporations Act 2001 (Cth)*
CRS	Common Reporting Standard
EMIR	The European Market Infrastructure Regulation
ESG	Environmental, Social and Governance
Establishment Fee	Has the meaning set out in section 10.4 of this PDS
FATCA	Foreign Account Tax Compliance Act
Fund	CC Wellington Multi-Sector Credit Fund ARSN 688 887 103
Fund Administrator or Apex	Apex Fund Services Pty Ltd ABN 81 118 902 891 or as otherwise appointed by CIML
Fund Auditor	Ernst & Young
Fund Custodian	Citibank, N.A., Hong Kong Branch

GST	Goods and Services Tax
IDPS	Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody services (collectively known as master trusts or wrap accounts)
IDPS Guide	Has the meaning provided in the 'Important Information' section
IDPS Operator	Has the meaning provided in the 'Important Information' section
Indirect Investors	Has the meaning provided in the 'Important Information' section
Investment Funds	The Fund and the Underlying Fund
Investor	A person who is the registered holder of Units
IRS	U.S. Internal Revenue Service
ITCs	Input tax credits
Management Fee	The fee payable to CIML for managing the Fund's investments
NAV or Net Asset Value	Net asset value
PDS	Product Disclosure Statement
Performance Fee	Amount deducted from your investment in relation to the performance of the product
Privacy Act	*Privacy Act 1998 (Cth)*
Redemption Date	Has the meaning set out in section 3 of this PDS
RG 240	ASIC Regulatory Guide 240: Hedge Funds: Improving disclosure
RITC	Reduced input tax credits
TFN	Tax File Number
TOFA	Taxation of financial arrangements
Transaction Costs	Has the meaning provided in section 10.4 of this PDS
Underlying Fund	Wellington Multi-Sector Credit Fund, being a sub-fund of the Wellington Management Funds (Luxembourg) II SICAV
Underlying Fund Administration Fee	Has the meaning provided in section 10.4 of this PDS
Underlying Fund AIFM	Wellington Luxembourg S.à r.l
Underlying Fund Auditor	PricewaterhouseCoopers (PWC)
Underlying Fund Depository and Administrator	State Street Bank International GmbH, Luxembourg Branch
Underlying Fund Investment Manager	Wellington Management Company LLP
Underlying Fund Management Fee	Has the meaning provided in section 10.4 of this PDS
Underlying Fund Redemption Date	Has the meaning provided in section 11.3 of this PDS
Underlying Fund Swing Pricing Mechanism	Has the meaning provided in section 6.3 of this PDS
Unit/s	Class A unit/s in the Fund
USD	U.S. Dollar currency
Wellington	Underlying Fund Investment Manager, together with the Underling Fund and their affiliates

17. Contacts

RESPONSIBLE ENTITY

Channel Investment Management Limited

ACN 163 234 240 AFSL 439007

Address

GPO Box 206,
Brisbane, Queensland 4001,
Australia

Website

www.channelcapital.com.au

Fund Website

www.channelcapital.com.au/funds

Phone

1800 940 599

Email

clientservices@channelcapital.com.au

AFFILIATE OF UNDERLYING FUND INVESTMENT MANAGER

Wellington Management Australia Pty Ltd
ACN 167 091 090 AFSL 462912

Address

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180 George Street
Sydney NSW 2000
Australia