

The information in this document forms part of the Product Disclosure Statements (PDS) for:

1. Capital Group New Perspective Fund (AU)
ARSN 608 698 746 | APIR CIM0006AU;
2. Capital Group New Perspective Fund Hedged (AU)
ARSN 608 699 234 | APIR CIM0008AU;
3. Capital Group New World Fund (AU)
ARSN 616 311 516 | APIR CIM8680AU;
4. Capital Group World Dividend Growers (AU)
ARSN 155 240 341 | APIR CIM0002AU;
5. Capital Group Global Corporate Bond Fund Hedged (AU)
ARSN 628 276 577 | APIR CIM0161AU;
6. Capital Group Multi-Sector Income Fund (AU)
ARSN 667 087 256 | APIR CIM2229AU; and
7. Capital Group Global Total Return Bond Fund (AU)
ARSN 645 681 929 | APIR CIM9121AU.

All references to 'Fund' in this document correspond to the CG-managed fund in connection with whose PDS you are reading this document.

1. About Capital Group Investment Management Limited

Capital Group Investment Management Limited

No additional information.

Capital International, Inc.

Capital International, Inc. is exempt from the requirement to hold an Australian Financial Services Licence under the Corporations Act in respect of the investment management services it provides to the Responsible Entity. Instead, Capital International, Inc. is regulated by the U.S. Securities and Exchange Commission under United States laws, which differ from Australian laws.

2. How the Fund works

Unit prices

Unit prices are generally calculated each Sydney business day ('Dealing Day') that is not designated as a 'Non-Dealing Day' in accordance with section 8, based on the net asset value of a Fund for that day and divided by the number of units on issue.

There may be a difference between the application price and withdrawal price of the units. This difference is known as the buy/sell spread and relates to the costs incurred when buying and selling underlying assets of the Fund when investments or withdrawals are made. For more information about the buy/sell spread, including the buy/sell spread for the Fund, see 'Fees and costs (buy/sell spread)' for further information.

The Fund operates on a forward pricing model. This means that applications to invest or withdraw are processed using unit prices calculated and published after the application has been received. The unit price for a particular Dealing Day is generally available the next business day. This means if your application to invest or withdraw is received today, before 12:00 pm AEST (Sydney Time), the unit price applicable to your investment will be based on the net asset value of the Fund as at the close of business today, which will generally be available the next business day.

The net asset value of the Fund is calculated by deducting the value of its liabilities from the value of its gross assets. Liabilities include accruals for management costs. Gross assets include securities valued at the most recently available market price, cash at bank, any amount of the GST recoverable from the Australian Taxation Office plus any entitlement to income prior to a distribution period end where a Fund has received, or is entitled to receive income (including any imputation credits attributable to income, based on quarterly information available).

The Responsible Entity uses independent pricing services provided by JPMorgan Chase Bank N.A. (Sydney Branch) to value the Fund's assets at their most recently available market value. Securities are valued at the relevant valuation date's closing price on the principal market on which they are traded. Reasonable estimates may be used to value a specific asset or type of asset if the price is unavailable, provided there is a verifiable methodology to support the estimate. The valuation methods and policies applied by the Responsible Entity in determining the value of a Fund's assets and the amount of its liabilities will result in a calculation of the application and withdrawal price of units that is independently verifiable.

A copy of documents outlining the unit pricing methodologies and practices (including information about the circumstances where the Responsible Entity may exercise discretion in determining a unit price and the value of Fund assets and how the Responsible Entity have exercised discretion in relation to the Fund in certain circumstances) is available on request at no charge by calling the Responsible Entity.

Distribution

Income per unit is calculated by dividing the distributable income for the Fund by the number of units in that Fund at the end of each distribution period. The amount of income you receive is based on the number of units you hold at the end of the distribution period.

Unit prices fall after the end of each distribution period to reflect the distributions paid. This means that if you invest just before the end of the distribution period, you may receive some of your capital invested as income. Similarly, if you withdraw just before the end of the distribution period, you may receive your share of any accrued income as capital.

Distributions are generally paid within 15 days after the end of the distribution period. If we change the distribution period, we will give you at least 30 days notice prior to the change taking effect.

3. Benefits of investing in the Fund

No additional information.

4. Risks of managed investment schemes

What are the significant risks of a Fund?

Risk factors that may influence the value of an investment in a Fund include:

- **Market conditions** - the value of, and the income generated by, the securities in which a Fund invests may decline, sometimes rapidly or unpredictably, due to factors affecting certain issuers, particular industries or sectors, or the overall markets. Rapid or unexpected changes in market conditions could cause the Fund to liquidate its holdings at inopportune times or at a loss or depressed value. The value of a particular holding may decrease due to developments related to that issuer, but also due to general market conditions, including real or perceived economic developments such as changes in interest rates, credit quality, inflation, or currency rates, or generally adverse investor sentiment. The value of a holding may also decline due to factors that negatively affect a particular industry or sector, such as labor shortages, increased production costs, or competitive conditions.

Global economies and financial markets are highly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. Furthermore, local, regional and global events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness or other public health threats could also adversely impact issuers, markets and economies, including in ways that cannot necessarily be foreseen. The Fund could be negatively impacted if the value of a portfolio holding were harmed by such conditions or events.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social, and economic risks. Additionally, market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments and operation of the Fund. These events could disrupt businesses that are integral to the Fund's operations or impair the ability of employees of Fund service providers to perform essential tasks on behalf of the Fund.

Governmental and quasi-governmental authorities may take a number of actions designed to support local and global economies and the financial markets in response to economic disruptions. Such actions may include a variety of significant fiscal and monetary policy changes, including, for example, direct capital infusions into companies, new monetary programs and significantly lower interest rates. These actions may result in significant expansion of public debt and may result in greater market risk. Additionally, an unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets.

- **Asset specific risk** - within any asset class, different assets perform differently. The individual assets selected will determine the risk level and performance of the Fund. The investment results can be either above or below a Fund's benchmark, depending on the performance of the selected assets.
- **Equities** - Underlying Funds of some Funds will invest in Equities. The prices of Equity securities may decline in response to certain events, including but not limited to those directly affecting the companies whose securities are owned by the relevant Underlying Fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency fluctuations.
- **Interest rate risk** - changes to interest rates can directly and indirectly impact investment value and returns. For example, an increase in official interest rates can result in a fall in the value of fixed interest securities, while a decrease in interest rates can result in an increase in value. Changes in interest rates may also affect the value of global equities.

- **Bonds** - Underlying Funds of some Funds will invest in Bonds. The market values of Bonds generally vary inversely with the level of interest rates - when interest rates rise, their values will tend to decline and vice versa. The magnitude of these changes generally will be greater the longer the remaining maturity of the security. Underlying Funds investing in Bonds may be exposed to credit risk.
- **Credit risk** - changes in the underlying creditworthiness of a Fund's investments can result from a range of factors that may bring into question that individual investment's ability to meet its obligations as and when they fall due. While Investment Grade Bonds usually have a higher capacity to pay interest and repay principal than lower-rated securities, there are no assurances that losses will not occur with respect to these investments. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that the issuer experiences financial or economic difficulties, this may affect the value of, and/or any amounts paid on, the relevant securities. Borrowers that are in bankruptcy or restructuring may never pay off their indebtedness, or they may pay only a small fraction of the amount owed. Direct indebtedness of countries, particularly Emerging Markets, also involves a risk that the governmental entities responsible for the repayment of the debt may be unable, or unwilling, to pay interest and repay principal when due. As much as possible, the Investment Manager monitors the Fund's investments to ensure this risk is adequately managed.
- **High yield bonds** - Some Funds will invest in High Yield Bonds. These Bonds typically are subject to greater market fluctuations and to greater risk of loss of income and principal due to default by the issuer than are higher-rated Bonds. Lower-rated Bonds' values tend to reflect short-term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower-yielding higher-rated Bonds. In addition, it may be more difficult to dispose of, or to determine the value of, High Yield Bonds. Bonds rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions."
- **Distressed securities** - Some Underlying Funds may invest in distressed securities (which we define as having a credit rating lower than CCC- by Standard & Poor's or equivalent) at the time of purchase. Such securities may be regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or meet other obligations contained in an indenture or credit agreement. These Underlying Funds may also invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). Distressed and defaulted debt securities may be unsecured and/or subordinated to other outstanding liabilities of the issuer. Whilst holders of distressed or defaulted securities may benefit from certain legal protections applicable to such securities, these protections may be outweighed by other legal or economic risks. Therefore, an Underlying Fund may lose its entire investment, may receive cash or securities (including equity securities) with a value less than its original investment and/or may be required to accept payment over an extended period of time. Efforts to maximize the value of these securities may involve additional cost for the relevant Underlying Fund. It may also be more difficult to dispose of, and to determine the value of, distressed and defaulted securities as compared to higher rated debt securities. Notwithstanding the above paragraph, if a security satisfies the Underlying Fund's credit rating criteria at the time of purchase and subsequently is downgraded to a rating which would result in the security being classified as a "distressed security", the Underlying Fund will not be required to dispose of such security. If such a downgrade occurs, the portfolio manager(s) will consider what action is in the best interest of the Underlying Fund, its investors and in line with the relevant Underlying Fund investment objective.
- **Currency risk** - changes in the value of the Australian dollar relative to other currencies can cause changes to the value of a Fund. Where a Fund is unhedged, it is fully exposed to currency movements and any consequential changes this may have on the value of the Fund.

- **Hedging risk** - Where a Fund employs currency hedging techniques, hedging may not completely eliminate the exposure to currency movements and there is no guarantee that hedging strategies will yield returns that match those of the Underlying Fund.
- **Liquidity risk** - Some Underlying Fund holdings may be deemed to be less liquid because they cannot be readily sold without significantly impacting the value of the holdings, or may become difficult or impossible to sell, particularly during times of market turmoil. Liquidity may be impacted by the lack of an active market for a holding, legal or contractual restrictions on resale, or the reduced number and capacity of market participants to make a market in such holding. Market prices for less liquid holdings may be volatile or difficult to determine, and reduced liquidity may have an adverse impact on the market price of such holdings. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. Additionally, the sale of less liquid holdings may involve substantial delays (including delays in settlement) and additional costs and the Underlying Fund may have more difficulty to sell such holdings when necessary to meet its liquidity needs, or try to limit losses, or may be forced to sell at a loss.
- **Potential for units to be quoted** - In the future, one or more classes of Units in Capital Group New Perspective Fund Hedged (AU), Capital Group New World Fund (AU), Capital Group World Dividend Growers (AU), Capital Group Global Corporate Bond Fund Hedged (AU), Capital Group Multi-Sector Income Fund (AU), and Capital Group Global Total Return Bond Fund (AU) may be quoted on a securities exchange which could give rise to additional risks, such as operational risks.

If a Fund were quoted on a securities exchange, unitholders may invest in or dispose of units either directly with us or by trading on the exchange. This will require us to establish two sub-unit registers: an issuer sponsored sub-unit register (for units acquired directly from us) and a broker sponsored sub-unit register (for units acquired on the exchange). Units will be fungible regardless of the sub-unit register on which they are held, and investors should be able to move between the two registers.

Entry unit prices and withdrawal prices for investors who would transact directly with us and hold units on the issuer sponsored sub-register would remain unchanged following quotation. However, the price at which units would be bought or sold on the exchange would be determined by the prices at which we, or other market participants, would offer them for sale or purchase. Subject to future prevailing regulatory requirements, we would expect generally to publish an indicative net asset value per unit (the "iNAV") continuously during each trading day, updated by reference to securities with live market prices. The iNAV is indicative only and may not always be continuously published or reflect current holdings and valuations. Prices on an exchange may materially differ from the iNAV and from unit prices used for application and redemption requests. This may result in different returns for investors trading on the exchange compared with those transacting directly with us.

Should the Fund be quoted, we would be expected, on behalf of the Fund (likely through a market making agent), to provide liquidity by acting as market maker, buying and selling Fund units on a securities exchange. Differences between buy and sell prices during a trading day may result in the Fund incurring losses. We expect to manage this risk by charging a bid/ask spread and may also seek to hedge exchange transactions associated with trading Fund units. There is no guarantee that liquidity will be provided, and unitholders may not always be able to readily buy or sell units on the exchange. Trading of units on the exchange may also be suspended, and the Fund could be exposed to losses if the market making agent failed to perform its obligations. Funds quoted on a securities exchange are generally more complex than unquoted funds. They may involve increased operational risk and costs. Additional conflicts of interest may also arise in the context of listed funds. We would seek to manage any additional risks by implementing additional internal controls.

- **Structural risk** - investing in a managed fund is not like investing directly in securities. A managed fund takes into consideration all applications and withdrawals made by all investors. Therefore, income or capital gains from the Fund may be somewhat different to that of a direct security holding.
- **Operational risk** - The Funds may be exposed to operational risks, being the risk that internal processes, including those of the service providers mentioned in this document and product disclosure statements of the Funds, may fail, resulting in delays or losses. Operational risks include but are not limited to processes related to the safekeeping of assets, their valuation and execution of transactions.

- **Legal and regulatory risk** - changes to government policy that result in legislative changes may have an impact on business operations, and on your investment in the Fund.
- **Counterparty risk** - The Underlying Fund conducts transactions with counterparties, which puts the Underlying Fund at risk should a counterparty fail to meet its contractual obligations in a transaction due to insolvency, bankruptcy or other causes. This may entail the Underlying Fund to delayed delivery and have an adverse impact on the performance of the Underlying Fund. In the case of default of the counterparty, the amount, nature and timing of recovery may be uncertain.
- **OTC Markets** - Some Underlying Funds will invest in securities that are actively traded in an OTC market. Trading on such markets may involve higher risks than trading on official stock exchanges due to, in particular, lower market liquidity as well as lower investor protection in applicable regulations and available information. In determining whether to approve markets for investment, the portfolio managers will take into account, among other things, market liquidity, investor information and government regulations, including tax and foreign exchange repatriation rules.
- **Sustainability risks** - Capital Group identifies sustainability risks in its bottom up research, proprietary investment frameworks and monitoring processes. Capital Group's sector specialists identify the most important sustainability risks to consider for each sector or which can cause an actual or a potential material negative impact on the value of the investment. The output of this process is used as an additional non-binding input in Capital Group's forward-looking assessment alongside financial and economic considerations. Capital Group's integration of sustainability risks in the investment decision-making process is reflected in Capital Group's ESG Policy, which is available at <https://www.capitalgroup.com/eacg/esgpolicy>.

Sustainability risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments of a Fund. Sustainability risks are principally linked to environmental-related events resulting from climate change (also known as physical risks) or to the society's response to environmental change (also known as transition risks), which may result in unanticipated losses that could affect the investments of a Fund. Social conditions (e.g. labour relations, investment in human capital, accident prevention, changing customer behaviour) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks. Sustainability risks are identified, managed and monitored through Capital Group's risk management process.

The Investment Manager take sustainability risks into account in its investment decision making process to the extent that they represent a potential or actual material risk to maximising the long-term risk-adjusted returns of the Funds. The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risks on the Fund's return will therefore depend on the investment objective of the Fund and the type of securities held in its portfolio.

- **Cybersecurity risks** - With the increased use of technologies such as the Internet to conduct business, the Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, "ransomware" attacks, injection of computer viruses or malicious software code, or the use of vulnerabilities in code to gain unauthorized access to digital information systems, networks or devices that are used directly or indirectly by the fund or its service providers through "hacking" or other means. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Responsible Entity's and the Investment Manager's respective systems, networks or devices. For example, denial-of-service attacks on the Responsible Entity's or Investment Manager's website could effectively render the Responsible Entity's network services unavailable to investors and other intended end-users. Any such cybersecurity breaches or losses of service may, among other things, cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity, or may result in the misappropriation, unauthorized release or other misuse of the fund's assets or sensitive information (including shareholder personal information or other confidential information), the inability of investors to transact business, or the destruction of the Responsible Entity's physical infrastructure,

equipment or operating systems. These, in turn, could cause the Responsible Entity to violate applicable privacy and other laws and incur or suffer regulatory penalties, reputational damage, additional costs (including compliance costs) associated with corrective measures and/or financial loss.

While the Responsible Entity and Investment Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. In addition, cybersecurity failures by or breaches of the Responsible Entity's and the Investment Manager's third-party service providers (including, but not limited to, the Investment Manager, Custodian, Fund Administrator and Transfer Agent) may disrupt the business operations of the service providers and of the Responsible Entity and Investment Manager, potentially resulting in financial losses, the inability of Investors to transact business with the Responsible Entity and of the Responsible Entity and the Investment Manager to process transactions, the inability of the Fund to calculate its net asset value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. The Fund and its investors could be negatively impacted as a result of any such cybersecurity breaches, and there can be no assurance that the Fund will not suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Fund's, the Responsible Entity's and Investment Manager's third-party service providers in the future, particularly as the Responsible Entity cannot control any cybersecurity plans or systems implemented by such service providers. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

- **Securities Lending Transactions** - Some Underlying Funds may enter into securities lending transactions.

Entering into securities lending transactions exposes the relevant Underlying Fund to, among others, operational, custody, counterparty and liquidity risks, as further described below. The loaned securities may not be returned by the counterparty in a timely manner or at all, which would interfere with the Underlying Fund's ability to vote proxies or settle transactions. Plus, there is also the risk of a loss of rights in the collateral if the counterparty or the securities lending agent defaults.

Additionally, the Underlying Fund may lose money from the reinvestment of collateral received in the context of a securities lending transaction in investments that decline in value, default or do not perform as expected. The relevant Underlying Fund will enter into securities lending transactions only with counterparties deemed by the portfolio manager to be in good standing and when, in the portfolio managers' judgment, the income earned would justify the risks. In case of cash collateral reinvestment, all risks associated with a normal investment will apply.

Risk specific to different asset classes

- **Emerging Markets** - Some Underlying Funds will invest in Emerging Markets securities. Investing in Emerging Markets may involve risks in addition to and greater than those generally associated with investing in the securities markets of developed countries. For instance, Emerging Markets tend to have less developed political, economic and legal systems and accounting and auditing practices and standards than those in developed countries. Accordingly, the governments of these countries may be less stable and more likely to intervene in the market economy, for example, by imposing capital controls, nationalizing a company or industry, placing restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or imposing punitive taxes that could adversely affect the prices of securities. Information regarding issuers in developing countries may be limited, incomplete or inaccurate, and there may be fewer rights and remedies available to the Underlying Funds and their investors. In addition, the economies of these countries may be dependent on relatively few industries and may be more susceptible to changes in local and global trade conditions and downturns in the world economy. Securities markets in these countries can

also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Additionally, there may be increased settlement risks for transactions in local securities. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating the Funds' Net Asset Value. Additionally, Emerging Markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by banks, agents and depositories that are less established than those in developed countries.

Furthermore, in jurisdictions where direct foreign investment is limited or prohibited (such as the PRC, Emerging Markets), the Underlying Funds may invest in operating companies based in such jurisdictions through vehicles called Variable Interest Entities (hereinafter "VIE"). A VIE structure is an offshore intermediary entity that, based on contractual agreements, seeks to replicate the rights and obligations of direct equity ownership in such operating business. Because the contractual arrangements do not in fact bestow the Underlying Fund with actual equity ownership in the operating company, VIE structures may limit the Underlying Fund's rights as an investor and create significant additional risks. For example, local government authorities may determine that such structures do not comply with applicable laws and regulations, including those relating to restrictions on foreign ownership. In such event, the intermediary entity and/or the operating business may be subject to penalties, revocation of business and operating licenses or forfeiture of foreign ownership interests, and the Underlying Fund's economic interests in the underlying operating business and its rights as an investor may not be recognized, resulting in a loss to the Underlying Fund and its investors. In addition, exerting control through contractual arrangements may be less effective than direct equity ownership, and a company may incur substantial costs to enforce the terms of such arrangements, including those relating to the allocation of assets among the entities. VIE structures may also be disregarded for tax purposes by local tax authorities, resulting in increased tax liabilities, and the Underlying Fund's control over - and distributions due from - such structures may be jeopardized if the individuals who hold the equity interest in VIE structures breach the terms of the agreements. While VIE structures may be widely used to accommodate limits on foreign ownership in certain jurisdictions, there is no assurance that they will be recognized and/or upheld by local regulatory authorities or that disputes regarding the same will be resolved consistently. There is a risk that this could have severe adverse impacts on the value of the investments in VIE structures.

Certain risk factors related to Emerging Markets:

- (i) **Currency fluctuations** - Certain Emerging Markets' currencies have experienced and in the future may experience significant declines against major convertible currencies. Further, the Underlying Fund may lose money due to losses and other expenses incurred in converting various currencies to purchase and sell securities, as well as from currency restrictions, exchange control regulation and currency devaluations.
- (ii) **Government regulations** - Certain Emerging Markets lack uniform accounting, auditing and financial reporting and disclosure standards, may have often less governmental supervision of financial markets than in developed countries, and may not in many cases honor legal rights or protections enjoyed by investors in developed countries. Certain governments may be more unstable and present greater risks of nationalization or restrictions on foreign ownership of local companies. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some Emerging Markets. While the relevant Underlying Fund will only invest in markets where these restrictions are considered acceptable by the portfolio manager(s), a country could impose new or additional repatriation restrictions after the Underlying Fund's investment. If this happened, the Underlying Fund's response might include, among other things, applying to the appropriate authorities for a waiver of the restrictions or engaging in transactions in other markets designed to offset the risks of decline in that country. Such restrictions will be considered in relation to the Underlying Fund's liquidity needs and other factors. Further, some attractive equity securities may not be available to the Underlying Fund if foreign investors already hold the maximum amount legally permissible. While government involvement in the

private sector varies in degree among Emerging Markets, such involvement may in some cases include government ownership of companies in certain sectors, wage and price controls or imposition of trade barriers and other protectionist measures. With respect to any Emerging Markets, there is no guarantee that some future economic or political crisis will not lead to price controls, forced mergers of companies, expropriation, or creation of government monopolies to the possible detriment of the Underlying Fund's investments.

- (iii) **Fluctuations in inflation rates** - Rapid fluctuations in inflation rates may have negative impacts on the economies and securities markets of certain Emerging Markets countries.
- (iv) **Less developed securities markets** - Emerging Markets may have in general less well-developed and regulated securities markets and exchanges. These markets have lower trading volumes than the securities markets of more developed countries and may be unable to respond effectively to increases in trading volume. Consequently, these markets may be substantially less liquid than those of more developed countries, and the securities of issuers located in these markets may have limited marketability. These factors may make prompt liquidation of substantial portfolio holdings difficult or impossible at times.
- (v) **Settlement risks** - Settlement systems in Emerging Markets are generally less well organized than those of developed markets. Supervisory authorities may also be unable to apply standards comparable to those in developed markets. Thus, there may be risks that settlement may be delayed and that cash or securities belonging to the Underlying Fund may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment be made before receipt of the security being purchased or that delivery of a security be made before payment is received. In such cases, default by a broker or bank (the "counterparty") through whom the transaction is effected might cause the Underlying Fund to suffer a loss. The Underlying Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Underlying Fund will be successful in eliminating this risk, particularly as counterparties operating in Emerging Markets frequently lack the standing or financial resources of those in developed countries. There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise with respect to securities held by or to be transferred to the Fund.
- (vi) **Limited market information** - The Underlying Fund may encounter problems assessing investment opportunities in certain Emerging Markets in light of limitations on available information and different accounting, auditing and financial reporting standards. In such circumstances, the Underlying Fund's portfolio manager(s) will seek alternative sources of information, and to the extent the portfolio manager(s) is not satisfied with the sufficiency of the information obtained with respect to a particular market or security, the Underlying Fund will not invest in such market or security.
- (vii) **Taxation** - Taxation of dividends, interest and capital gains received by the Underlying Fund varies among Emerging Markets and, in some cases, is comparatively high. In addition, Emerging Markets typically have often less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Underlying Fund could become subject in the future to local tax liability that it had not reasonably anticipated in conducting its investment activities or valuing its assets.
- (viii) **Litigation** - The Underlying Funds and their investors may encounter substantial difficulties in obtaining and enforcing judgments against individuals residing and companies domiciled in certain Emerging Markets.
- (ix) **Fraudulent securities** - Shares purchased by the Underlying Fund may subsequently be found to be fraudulent or counterfeit, resulting in a loss to the Underlying Fund.

- **Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect** - Some Underlying Funds may invest via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively "Stock Connects"). The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Stock Exchange of Hong Kong Limited (the "SEHK"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed by SEHK, Shenzhen Stock Exchange ("SZSE") and ChinaClear, both aiming to achieve mutual stock market access between the Peoples' Republic of China ("PRC") and Hong Kong. Hong Kong Securities Clearing Company Limited (HKSCC), a wholly-owned subsidiary of SEHK, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and/or investors.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors, through their Hong Kong brokers and a securities trading service company established by the SEHK, may be able to trade eligible securities, such as China A Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain securities listed on the SEHK. Under a joint announcement issued by the SFC and China Securities Regulatory Commission ("CSRC") on 10 November 2014 the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors, through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible securities listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect investors in the PRC will be able to trade certain securities listed on the SEHK. The Shenzhen -Hong Kong Stock Connect was launched in December 2016.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are both subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect as well as Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect each day.

Investments in securities traded and cleared on the Stock Connects are subject to various risks, as described in detail below:

- (i) **Quota Limitations** - The Stock Connects are subject to Daily Quota. The quotas do not belong to the Underlying Funds and are utilised on a first-come-first-serve basis. Therefore, once the Daily Quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Underlying Fund's ability to invest in the eligible securities through the Stock Connects on a timely basis, and the Underlying Fund may not be able to effectively pursue its investment strategy. The SEHK monitors the quota and published the remaining balance of the northbound trading Daily Quota at scheduled times on the SEHK's website. The Daily Quota may change in future. Investors in the Underlying funds will not be notified in case of a change of quota.
- (ii) **Legal / Beneficial Ownership** - The SSE and SZSE securities are held by the Depository/ sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Underlying Fund as the beneficial owner of the SSE and SZSE securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial

ownership” under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE securities will be regarded as held for the beneficial ownership of the Underlying Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

- (iii) **Clearing and Settlement Risk** - HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC’s securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC’s liabilities in SSE and SZSE securities under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

- (iv) **Suspension Risk** - Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Underlying Fund’s ability to access the PRC market will be adversely affected.
- (v) **Differences in Trading Day** - The Stock Connects only operate on, and therefore investors (including the Underlying Funds) can only trade on, days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open and banking services are available in both markets on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the relevant Underlying Funds cannot carry out any trading via the Stock Connects. The Underlying Fund may be subject to a risk of price fluctuations in the relevant securities during the time when any of the Stock Connects is not trading as a result.
- (vi) **Operational Risk** - The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Fund’s ability to access the PRC market (and hence to pursue its investment strategy) may be adversely affected.

- (vii) **Regulatory Risk** - The Stock Connects are a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The relevant Underlying Fund may be adversely affected as a result of such changes.

- (viii) **Recalling of Eligible Securities** - When a security is recalled from the scope of eligible securities for trading via the Stock Connects, the security can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the relevant Fund, for example, if the portfolio manager wishes to purchase a security which is recalled from the scope of eligible securities.
- (ix) **Disclosure Requirements** - Under Stock Connect, trading in SSE and SZSE Securities is subject to market rules and disclosure requirements in the PRC stock market. Any changes in laws, regulations and policies of the China A-Shares market or rules in relation to Stock Connect may affect share prices. The Underlying Fund is subject to restrictions on trading (including restriction on retention of proceeds) in China A-Shares as a result of its interest in the China A-Shares. The portfolio manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A-Shares. Under current PRC rules, once an investor holds more than 5% of the shares of a company listed on the SSE or SZSE, the investor is required to disclose its interest within three working days and during which it cannot trade the shares of that company. The investor is also required to disclose any change in its shareholding and comply with related trading restrictions in accordance with PRC rules.
- (x) **Investor Compensation** - Investment in SSE and SZSE securities via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Prior to 1 January 2020, the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to eligible investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong, did not cover investments through northbound trading links under the Stock Connect. With effect from 1 January 2020, the Hong Kong Investor Compensation Fund was expanded to cover trading on northbound trading links and covers losses suffered by eligible investors resulting from defaults by relevant brokers in their obligations. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud or misfeasance.
- According to the Measures for the Administration of Securities Investor Protection Fund, the functions of China Securities Investor Protection Fund ("CSIPF") include "indemnifying creditors as required by China's relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by the CSRC and custodian operation" or "other functions approved by the State Council". However, since Northbound Trading is carried out through securities brokers in Hong Kong and not PRC brokers, the CSIPF also does not extend to protect defaults experienced on Northbound Trading.
- (xi) **Conversion Risk** - Investors, including the relevant Underlying Funds, can trade and settle SSE Securities and SZSE Securities in RMB only. The Underlying Fund, whose base currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments in SSE and SZSE Securities via the Stock Connects. During any such conversion, the relevant Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the relevant Fund may incur a loss when it converts the sale proceeds of SSE and SZSE Securities into its base currency.
- (xii) **Trading Costs** - In addition to paying trading fees and stamp duties in connection with Stock Connects' trading of SSE securities and/or SZSE securities, the relevant Underlying Funds carrying out trading via Stock Connects may be subject to certain other fees which are yet to be determined by the relevant authorities and should also take note of any new portfolio fees, dividend tax and taxes concerned with income arising from transfers of securities which would be determined by the relevant authorities.

(xiii) **Taxation** - Under the PRC Enterprise Income Tax Law ("EITL"), dividends paid by PRC companies are subject to 10% tax. Capital gains from the disposal of PRC securities would normally be subject to 10% tax as well. However, currently capital gains from the disposal of China A-Shares (including those on the China-Hong Kong Stock Connect Programmes) are subject to a temporary exemption effective from 17 November 2014.

With the uncertainty over whether and how certain income and capital gains on PRC securities are to be taxed, coupled with the possibility of the laws, regulations and practice in the PRC changing with retrospective effect, any accrual for taxation made by the Underlying Funds may not meet final PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of such changes when they subscribed and/or redeemed their units in/from the Underlying Funds.

Further information about the Stock Connect is available online at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en

- **China Interbank Bond Market** - Some Underlying Funds may invest on the China Interbank Bond Market. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Underlying Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that an Underlying Fund transacts in the China Interbank Bond Market, it may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Underlying Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the China Interbank Bond Market have to be carried out via an onshore settlement agent, the relevant Underlying Fund is subject to the risks of default or errors on the part of the onshore settlement agent.

The China Interbank Bond Market is also subject to regulatory risks. The relevant rules and regulations on investment in the China Interbank Bond Market are subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Underlying Funds' ability to invest in the China Interbank Bond Market will be limited and, after exhausting other trading alternatives, the relevant Underlying Fund may suffer substantial losses as a result.

Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

- **Bond Connect** - Some Underlying Funds may invest via the Bond Connect. Bond Connect is the historic opening up of China's Interbank Bond Market (CIBM) to global investors through the China-Hong Kong mutual access program. The program allows foreign and Mainland China investors the ability to trade in each other's bond market through a connection between the Mainland and Hong Kong based financial infrastructure institutions.

Bond Connect aims to enhance the efficiency and flexibility of investing in the China Interbank Bond Market. This is accomplished by easing the access requirements to enter the market, the use of the Hong Kong trading infrastructure to connect to China Foreign Exchange Trading System (CFETS) and Bond Settlement Agent, all which are required to invest in the CIBM directly.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Underlying Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

- (i) **Asset Segregation** - Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories (CSD). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor.

Bond purchased through Bond Connect will be held onshore with the China Central Depository Clearing Co. Ltd (CCDC) in the name of the Hong Kong Monetary Authority (HKMA). Investors will be the beneficial owners of the bonds via a segregated account structure in the Central Moneymarket Unit (CMU) in Hong Kong.

- (ii) **Clearing and Settlement Risk** - CMU and CCDC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and measures that are approved and supervised by the People's Bank of China (PBoC). The chances of CCDC default are considered to be remote. In the remote event of a CCDC default, CMUs liabilities in Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC. CMU should in good faith, seek recovery of the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from CCDC.

- (iii) **Trading Link** - Participants to Bond Connect register with Tradeweb, the Bond Connect offshore electronic trading platform which links directly into CFETS. This platform will allow trading with designated onshore Bond Connect market makers using the Request for Quotation (RFQ) protocol.

The designated bond connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as it hasn't been accepted by the potential buyer. Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS will then generate a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

- (iv) **Transaction Flow for Settlement Process and Link** - Settlement is effected via the settlement link between the CMU in Hong Kong and the Mainland China central depository, the CCDC.

For delivery versus payment transactions:

- Settlement instruction must be matched and affirmed in the CCDC system by 10:00 HKT. Securities are earmarked for the transaction and blocked by the CCDC system.
- The Mainland China trading counterparty (the buyer) pays the settlement cash proceeds to CMU by 13:00 HKT.
- After 17:00 HKT upon confirmation from CMU that funds have been received, CCDC will deliver the securities to the Mainland China bond dealers. This triggers CMU to transfer the settlement cash proceeds to the sub-custodian for further credit to, the Global Custodian's account.

- (v) **Regulatory Risk** - The Bond Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Bond Connect. The relevant Fund may be adversely affected as a result of such changes.

Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

(vi) **Conversion Risk** - The Underlying Fund, whose base currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments in CIBM bonds via the Bond Connect. During any such conversion, the relevant Underlying Fund may also incur currency conversion costs.

The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the relevant Underlying Fund may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

(vii) **Taxation** - Under current tax laws, coupon interest on government bonds is exempt. Capital gains from the disposal of PRC bonds would normally be subject to 10% tax however, currently the State Administration of Taxation (SAT) has not confirmed the collection process for CGT and therefore it is not currently collected.

With the uncertainty over whether and how certain income and capital gains on PRC securities are to be taxed, coupled with the possibility of the laws, regulations and practice in the PRC changing with retrospective effect, any accrual for taxation made by Underlying Funds may not meet final PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of such changes when they subscribed and/or redeemed their units in/ from the Underlying Funds.

Further information about the Bond Connect is available online at the website: <http://www.chinabondconnect.com/en/index.htm>

- **Derivative Instruments** - the Fund and / or the Underlying Fund may use derivatives to manage risk. Derivatives instruments may expose a Fund or its Underlying Fund to certain additional risks relative to traditional securities such as credit risks of the counterparty, imperfect correlation between derivatives prices of related assets, rates or indices, potential loss of more money than the actual cost of the investment, potential for leverage, increased volatility and reduced liquidity and risk of mispricing or improper valuation. Derivative instruments are subject to additional risks, including operational risk and legal risk.

I. **Swaps** - Some Underlying Funds may enter into swaps, which are two-party contracts where the parties agree to exchange the returns earned or realized from one or more underlying assets or rates of return.

Swaps can be traded on a swap execution facility (SEF) and cleared through a central clearinghouse (cleared), traded over-the-counter (OTC) and cleared, or traded bilaterally and not cleared. For example, standardized interest rate swaps and credit default swap indices are traded on SEFs and cleared. Other forms of swaps, such as total return swaps, are typically entered into on a bilateral basis.

Because clearing interposes a central clearinghouse as the ultimate counterparty to each participant's swap, and margin is required to be exchanged under the rules of the clearinghouse, central clearing is intended to decrease (but not eliminate) counterparty risk relative to uncleared bilateral swaps. To the extent the fund enters into bilaterally negotiated swap transactions, the Underlying Funds will enter into swaps only with counterparties that meet certain credit standards and subject to agreed collateralization procedures; however, if the counterparty's creditworthiness deteriorates rapidly and the counterparty defaults on its obligations under the swap agreement or declares bankruptcy, the Underlying Fund may lose any amount it expected to receive from the counterparty. In addition, bilateral swaps are subject to certain regulatory margin requirements that mandate the posting and collection of minimum margin amounts, which may result in the Underlying Fund and its counterparties posting higher margin amounts for bilateral swaps than would otherwise be the case. Counterparties to derivative transactions, including TRS transactions, will be counterparties approved by Capital Group, including the Underlying Funds' portfolio manager(s). While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these criteria are typically taken into account in the selection process. The counterparties do not have discretionary power over the composition or management of the portfolio of the relevant Underlying Fund.

Specific types of swaps in which the Underlying Fund(s) may invest are, in particular but not limited to:

- (i) **Total Return Swaps** - Some Underlying Funds may use Total Return Swaps ("TRS") in order to gain exposure to a market or security without owning or taking physical custody of such security or investing directly in such market. A TRS is an agreement in which one party agrees to make periodic payments to the other party based on the change in market value of the assets underlying the contract in exchange for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. The asset underlying the contract may be a single security, a basket of securities or a securities index. TRS will be traded against instruments with similar characteristics, in accordance with the investment objective of the relevant Underlying Fund, as well as investment guidelines and restrictions. TRS can be funded or unfunded. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement. The TRS used by the Underlying Funds will typically be unfunded. Like other swaps, the use of TRS involves certain risks, including if the underlying assets do not perform as anticipated. There is no guarantee that entering into a TRS will deliver returns in excess of the interest costs involved and, accordingly, the Underlying Fund's performance may be lower than would have been achieved by investing directly in the underlying assets.

TRS will be used on a continuous basis, however the extent of exposure to TRS may vary depending on e.g. market conditions and best interest of investors. Generally, no more than 10% of the net assets of an Underlying Fund will be used for TRS. The Underlying Fund's level of exposure to TRS is generally expected to be less than 5% of its assets. All revenues arising from TRS will be returned to the relevant Underlying Fund.

TRS are subject, among others, to counterparty, operational, liquidity, custody, legal and market conditions risks.

- (ii) **Credit Default Swaps and Indices** - Some Underlying Funds may invest in credit default swaps ("CDS") or in credit default swap indices, including the credit default swap index ("CDX") and iTraxx indices (collectively "CDXs"), in order to assume exposure to a single or diversified portfolio of credits or to hedge against existing credit risks. CDXs are based on a portfolio of credit default swaps with similar characteristics, such as credit default swaps on high-yield bonds.

CDS allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) in the expectation that the credit will decline in quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. One party – the protection buyer – is obligated to pay the other party – the protection seller – a stream of periodic payments over the term of the contract. If a credit event, such as a default or restructuring, occurs with respect to any of the underlying reference obligation(s), the protection seller must pay the protection buyer the loss on those credits. Conversely, if no credit events were to occur with respect to any of the underlying reference obligation(s), the protection buyer would not recover any of the periodic payment. The Underlying Fund may enter into a CDS transaction as either protection buyer or protection seller.

If the Underlying Fund is a protection buyer, it would pay the counterparty a periodic stream of payments over the term of the contract and would not recover any of those payments if no credit events were to occur with respect to any of the underlying reference obligation(s). However, if a credit event did occur, the Underlying Fund, as a protection buyer, would have the right to deliver the referenced debt obligation(s) or a specified amount of cash, depending on the terms of the applicable agreement, and to receive the par value of such debt obligation(s) from the counterparty protection seller. As a protection seller, the Underlying Fund would receive fixed payments throughout the term of the contract if no credit events were to occur with respect to any of the underlying reference obligation(s). If a credit event were to occur, however,

the value of any deliverable obligation received by the Underlying Fund, coupled with the periodic payments may be less than the full notional value that the Underlying Fund, as a protection seller, pays to the counterparty protection buyer, effectively resulting in a loss of value to the Underlying Fund. The use of CDS, like all other swap agreements, is subject to certain risks, including the risk that the Underlying Fund's counterparty will default on its obligation(s). If such a default were to occur, any contractual remedies that the Underlying Fund might have may be subject to applicable bankruptcy laws, which could delay or limit the Underlying Fund's recovery. Thus, if the Underlying Fund's counterparty to a CDS transaction defaults on its obligation to make payments thereunder, the Underlying Fund may lose such payments altogether or collect only a portion thereof, which collection could involve substantial costs or delays. Additionally, when the Underlying Fund invests in CDXs as a protection seller, the Underlying Fund will be indirectly exposed to the creditworthiness of issuers of the underlying reference obligations in the index. If the portfolio manager to the Underlying Fund does not correctly evaluate the creditworthiness of issuers of the underlying instruments on which the CDXs are based, the investment could result in losses to the Underlying Fund.

(iii) **Interest Rate Swaps** - Some Underlying Funds may enter into interest rate swaps to seek to manage the interest rate sensitivity of the Underlying Fund by increasing or decreasing the duration of the Underlying Fund or a portion of the Underlying Fund's portfolio. An interest rate swap is an agreement between two parties to exchange or swap payments based on changes in an interest rate or rates. Typically, one interest rate is fixed and the other is variable based on a designated floating short-term interest rate, prime rate or other benchmark. It is also possible for both sides of the agreement to be linked to designated floating rates. These agreements are known as basis swaps. Interest rate swaps generally do not involve the delivery of securities or other principal amounts. Rather, cash payments are exchanged by the parties based on the application of the designated interest rates to a notional amount, which is the predetermined dollar principal of the trade upon which payment obligations are computed.

Accordingly, the Underlying Fund's current obligation or right under the swap agreement is generally equal to the net amount to be paid or received under the swap agreement based on the relative value of the position held by each party.

II. **Forwards** - Some Funds and Underlying Funds may invest in currency forward contracts to seek to manage their currency exposures. A forward is a contract whereby two parties agree to exchange the underlying asset at a predetermined point in time in the future at a fixed price. The buyer agrees today to buy a certain asset in the future and the seller agrees to deliver that asset at that point in time. Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading is substantially unregulated; there is no limitation on daily price movements. Disruptions can occur in any market traded by the Funds or Underlying Funds due to unusually high trading volume, political intervention or other factors. In respect of such trading, the relevant Fund and Underlying is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts.

III. **Options** - Some Underlying Funds may invest in options, such as options on futures and foreign exchange options ("FX options"). An option is a contract that gives the holder of the option, in return for a premium payment, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the reference instrument underlying the option (or the cash value of the instrument underlying the option) at a specified exercise price. The writer of an option on a security has the obligation, upon exercise of the option, to cash settle or deliver the underlying currency or instrument upon payment of the exercise price (in the case of a call) or to cash settle or take delivery of the underlying currency or instrument and pay the exercise price (in the case of a put).

Options prices can diverge from the prices of their underlying instruments for a number of reasons. Options prices are affected by such factors as current and anticipated short-term interest rates, changes in the volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect security prices in the same way. Imperfect correlation may also result from

differing levels of demand in the options markets and the markets for the underlying instruments, from structural differences in how options and underlying instruments are traded, or from imposition of daily price fluctuation limits or trading halts.

- IV. Futures and options on futures - Some Underlying Funds may invest in futures to seek to manage its sensitivity to interest rates. Futures contracts and options of futures contracts are standardized exchange-traded agreements to buy or sell a specific quantity of an underlying asset, rate or index at an agreed-upon price at a stipulated future date. An option on a futures contract gives the holder of the option the right to buy or sell a position in a futures contract from or to the writer of the option, at a specified price on or before the specified expiration date. In addition to the risks generally associated with investing in derivative instruments, futures contracts and options of futures contracts are subject to the creditworthiness of the clearing organisations, exchanges and futures commission merchants with which the Underlying Fund transacts. Additionally, although futures require only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a futures contract or on an option on futures contract could greatly exceed the initial amount invested. While futures contracts and options on futures contracts are generally liquid instruments, under certain market conditions futures may be deemed to be illiquid. For example, the Underlying Fund may be temporarily prohibited from closing out its position in a futures contract if intraday price change limits or limits on trading volume imposed by the applicable futures exchange are triggered. If the Underlying Fund is unable to close out a position on a futures contract or options on futures contracts, the Underlying Fund would remain subject to the risk of adverse price movements until it is able to close out the futures position. The ability of the Underlying Fund to successfully utilize futures contracts or options on futures contracts may depend in part upon the ability of the Underlying Fund's portfolio manager to accurately forecast interest rates and other economic factors and to assess and predict the impact of such economic factors on the futures in which the Underlying Fund invests. If the portfolio manager incorrectly forecasts economic developments or incorrectly predicts the impact of such developments on the futures in which it invests, the Underlying Fund could be exposed to the risk of loss. See also the heading "Options" above for a general description of investment techniques and risks relating to options.
- **Contingent Convertible Bonds** - Some Underlying Funds may invest in contingent convertible bonds. Under the terms of a contingent convertible bond, certain triggering events, including events under the control of the management of the contingent convertible bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. Investment in contingent convertible bonds may entail the following risks (non-exhaustive list):
 - (i) **Capital structure inversion risk** - contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.
 - (ii) **Trigger level risk** - trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the portfolio managers of the relevant Underlying Fund to anticipate the triggering events that would require the debt to convert into equity.
 - (iii) **Conversion risk** - it might be difficult for the portfolio managers of the relevant Underlying Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the portfolio managers might be forced to sell these new equity shares because the investment objective of the relevant Underlying Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.
 - (iv) **Coupon cancellation** - for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
 - (v) **Call extension risk** - some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
 - (vi) **Industry concentration risk** - investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are currently issued by banking institutions.

- (vii) **Yield/valuation risk** - in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the Underlying Fund may have to accept a significant discount to the expected value of the bond in order to sell it
- (viii) **Liquidity risk** - in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the Underlying Fund may have to accept a significant discount to the expected value of the bond in order to sell it.
- (ix) **Unknown risk** - the structure of contingent convertible bonds is innovative yet untested.

- **Mortgage- and Asset-Backed Securities** - Some Underlying Funds may invest in mortgage- and asset-backed securities. Mortgage-related securities, such as mortgage-backed securities ("MBS"), and other asset-backed securities ("ABS"), include debt obligations that represent interests in pools of mortgages or other income-bearing assets, such as consumer loans or receivables. While such securities are subject to the risks associated with investments in debt instruments generally (for example, credit extension and interest rate risks), they are also subject to other and different risks. Mortgage-backed and other asset-backed securities are subject to changes in the payment patterns of borrowers of the underlying debt which can result in prepayment and extension risks. Prepayment risk exists when interest rates fall and borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in the Underlying Fund having to reinvest the proceeds in lower yielding securities, effectively reducing the Underlying Fund's income. Conversely, extension risk exists when interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing the Underlying Fund's cash available for reinvestment in higher yielding securities.

In addition, MBS issued by private entities are structured similarly to those issued by government agencies. However, these securities and the underlying mortgages are not guaranteed by any government agencies and the underlying mortgages are not subject to the same underwriting requirements. These securities generally are structured with one or more types of credit enhancements such as insurance or letters of credit issued by private companies. Borrowers on the underlying mortgages are usually permitted to prepay their underlying mortgages. Prepayments can alter the effective maturity of the MBS. Delinquencies, losses or defaults by borrowers can adversely affect the prices and volatility of these securities. Such delinquencies and losses can be exacerbated by real estate risks like declining or flattening housing and property values. This, along with other outside pressures, such as bankruptcies and financial difficulties experienced by mortgage loan originators, decreased investor demand for mortgage loans and mortgage-related securities and increased investor demand for yield, can adversely affect the value and liquidity of MBS. These securities may be less liquid and/or more difficult to value than other securities.

With regard to ABS, these securities are backed by other assets such as credit card, automobile or consumer loan receivables, retail installment loans or participations in pools of leases. Credit support for these securities may be based on the underlying assets and/or provided through credit enhancements by a third party. The values of these securities are sensitive to changes in the credit quality of the underlying collateral, the credit strength of the credit enhancement, changes in interest rates and at times the financial condition of the issuer. These securities may be less liquid and/or more difficult to value than other securities.

Specific types of ABS in which the Underlying Funds may invest are, in particular but not limited to,

- (i) **Collateralized Debt Obligations ("CDO")** - A CDO is a securitisation that pools together cash flow-generating assets including bonds, mortgages, loans and other assets. CDOs are packaged in different classes representing different types of debt and credit risk. Each class has a different maturity and risk associated with it. Senior noteholders have structural protections in the form of subordination in addition to other features such as overcollateralisation, interest coverage tests and turbo amortisation triggers.
- (ii) **Collateralized Loan Obligations ("CLO")** - A CDO is a securitisation that pools together cash flow-generating assets including bonds, mortgages, loans and other assets. CDOs are packaged in different classes representing different types of debt and credit risk. Each class has a different maturity and risk associated with it. Senior noteholders have structural protections in the form of subordination in addition to other features such as overcollateralisation, interest coverage tests and turbo amortisation triggers.

- (iii) **Commercial Mortgage Backed Securities ("CMBS")** - CMBS are a type of mortgage-backed security secured by mortgages on commercial properties. The underlying loans that get securitised into CMBS include loans for properties such as office buildings, shopping malls, hotels, apartment complexes and industrial warehouses. CMBS notes benefit from both structural credit and prepayment protections including credit enhancement and defeasance/lockout provisions. Loan modifications or defaults of underlying mortgage loans may result in unscheduled prepayment risk to the most senior bonds in structure or potential interest shortfalls. Recoveries of defaulted loans will determine realized collateral losses that impact the most junior securities in the structure first.
- (iv) **Collateralized Mortgage Obligations ("CMO")** - CMOs are backed by a pool of mortgages or mortgage loans, which are divided into two or more separate bond issues. CMOs issued by U.S. government agencies are backed by agency mortgages, while privately issued CMOs may be backed by either government agency mortgages or private mortgages. Payments of principal and interest are passed through to each bond issue at varying schedules resulting in bonds with different coupons, effective maturities and sensitivities to interest rates. Some CMOs may be structured in a way that when interest rates change, the impact of changing prepayment rates on the effective maturities of certain issues of these securities is magnified.
- (v) **Residential Mortgage Backed Securities ("RMBS")** - RMBS are a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and subprime mortgages. In many cases the underlying loans may be guaranteed by one of the government or government-sponsored agencies (such as Fannie Mae, Freddie Mac or Ginnie Mae). Holders of RMBS receive interest and principal payments that come from the holders of the residential debt.
- (vi) **To Be Announced Securities ("TBA") Contracts** - TBA contracts are forward contracts on agency mortgage pass-through securities issued by agencies such as Fannie Mae, Freddie Mac and Ginnie Mae. The particular securities (i.e., specified mortgage pools) to be delivered or received are not identified at the trade date, but are "to be announced" on the notification date which is two days before the settlement date. However, securities to be delivered must meet specified criteria, including face value, coupon rate and maturity, and be within industry-accepted "good delivery" standards. TBAs settle once each month based on a calendar published by the Securities Industry and Financial Markets Association.

Ways you can manage risk

- Diversifying investments within asset classes and across a range of asset classes, as different types of investments may perform differently at different points in time.
- Seek professional advice to assist in setting your investment objectives, understanding your financial situation and particular needs. This information does not replace the need for financial advice.
- Invest for at least the suggested minimum time frame. Investing for a lesser time period will increase the risk that your investment does not align with the stated investment objective of that Fund.
- Plan your investment strategy with your financial adviser by considering the following:
 - the level of risk you feel comfortable with;
 - how long you want to invest;
 - the level of returns you need;
 - deciding whether you are looking for income or growth; and
 - your current financial circumstances.

We recommend that you seek professional financial advice about the level of risk that is suitable for you.

5. How we invest your money

The Fund may gain exposure to various investment markets and asset classes by investing into underlying funds managed by an affiliate of the Investment Manager (“Underlying Funds”). An investment in a related fund may impact the risk profile of the Fund as it differs from investing directly in listed securities.

Any reference to assets or investments held by a Fund refers to assets held by the Underlying Fund.

We have the right to change the Fund’s asset classes, asset allocation ranges and investment return objective (including benchmark) and to commence termination or closure of the Fund, without prior notice. We will inform investors of any material change to the Fund’s details in our next regular communication or as otherwise required by the law.

Labour standards, environmental, social ethical considerations

By making indirect investments through Underlying Funds, the Investment Manager does not take into account labour standards and/or environmental, social or ethical considerations in the selection, retention or realisation of investments at the Fund level.

However, for certain Funds, the following considerations, where material, may be taken into account at the Underlying Fund level by the manager of the relevant Underlying Fund (“Investment Adviser”).

The following applies to Capital Group New Perspective Fund (AU), Capital New Perspective Fund Hedged (AU), Capital Group Global Corporate Bond Fund Hedged (AU), Capital Group Multi-Sector Income Fund (AU), and Capital Group Global Total Return Bond Fund (AU).

Certain Underlying Funds aim to manage a carbon footprint for their investments in corporate issuers that is lower by a specified threshold than certain indices which are representative of the investment universe of the relevant Underlying Fund (as specified in the applicable Fund’s PDS section 5 – How we invest your money from time to time).

As specified in the applicable Fund’s PDS section 5, the carbon footprints of these Underlying Funds are determined on the basis of their weighted average carbon intensity (“WACI”). The Investment Advisers also use the WACI to compare the carbon footprint of an Underlying Fund to the relevant indices and understand the attribution of emission results. Should the WACI of an Underlying Fund not be within its applicable threshold, the Investment Adviser will consider what actions, if any, are in the best interests of the Underlying Fund and its investors and which would also be in line with the relevant Underlying Fund’s investment objectives, that would bring the Underlying Fund back in line with the threshold within a reasonable period of time. After this consideration, an Investment Adviser may determine not to take any action which may result in the carbon footprint being above the specified threshold for the Underlying Fund.

The Investment Advisers rely on carbon footprint data from a third-party provider to carry out ongoing monitoring of WACI at the Underlying Fund level and which may be taken into account when deciding whether to reduce or eliminate exposures to certain companies as necessary. In the event that reported carbon emissions data is not available for a particular issuer, the third-party provider may provide estimates using their own methodologies. There is a risk that data provided by a third party (reported or estimated) could be incorrect or incomplete from time to time. Issuers that do not have any carbon emissions data available (reported or estimated) are excluded from the WACI calculation. Cash holdings, derivatives, sovereigns and securitized products are excluded from WACI determination.

Certain Underlying Funds commit to maintain a level of investments that the Investment Advisers have determined are “sustainable investments”, meaning that these investments (i) engage in business activities aligned with any one or a combination of sustainable investment themes focused on tackling global social and environmental challenges, as outlined by the United Nations Sustainable Development Goals; and (ii) do not cause any significant harm to any environmental or social sustainable investment objectives. Whether there is “significant harm” is based on an Investment Adviser’s consideration of the mandatory Principle Adverse Impacts (PAIs) as set out in Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022 / 1288 for corporate investments. Companies deemed by an Investment Adviser to be causing significant harm, based on the PAIs, are not considered sustainable investments. When determining whether there is significant harm, an Investment Adviser may also consider other ESG risks and controversies that the Investment Adviser considers potentially material, such as data privacy or censorship issues.

For certain Underlying Funds, the Investment Adviser may also evaluate and apply ESG and norms-based screening to implement a negative screening policy to the Underlying Fund's investments at the time of purchase.

For corporate issuers, an Investment Adviser relies on third-party providers who identify the issuer's participation in, or the revenue which they derive from, activities that are inconsistent with these screens with respect to certain sectors such as tobacco, fossil fuel and weapons, as well as companies violating the principles of the United Nations Global Compact (UNGC). There is no guarantee that all issuers that participate in, or derive revenue from, activities that are inconsistent with these screens will be excluded from the Underlying Funds.

For sovereign issuers, exclusions are based on an Investment Adviser's proprietary research. An Investment Adviser leverages data from third party providers such as the United Nations and the World Bank to calculate ESG scores across the sovereign universe. Sovereign issuers are evaluated against a pre-defined threshold set by the Investment Adviser on (i) an absolute basis; and (ii) a gross national income-adjusted basis which enables an Investment Adviser to better understand how well a country manages ESG risk relative to its wealth and available resources. There is no guarantee that sovereign issuers that score below pre-defined thresholds in either category will be excluded from the Underlying Funds.

A copy of Capital Group's Negative Screening Policy is available at [en_AU \(publifund.com\)](http://en_AU(publifund.com)).

Please refer to the 'Risks' section in this document and the relevant section of each PDS for more details on sustainability risks.

The information following this applies to all of the Funds.

6. Fees and costs

Additional explanation of fees and costs

Management costs

Management costs are calculated on the gross asset value of the Fund and expressed as a percentage of the net asset value of the Fund, calculated and accrued daily from the Fund and paid at the end of the quarter to the Responsible Entity. Out of the management costs, the Responsible Entity will retain its responsible entity fee and pay the other fees and costs associated with the Fund (excluding transaction costs). Examples of these types of fees include:

- a. investment manager fees;
- b. administration costs;
- c. custody costs;
- d. audit costs;
- e. legal costs; and
- f. borrowing costs.

Extraordinary expenses

In general, management costs and transaction costs are all that will be charged. However, under certain circumstances extraordinary expenses may be directly paid by the Fund.

Examples of this type of expense include:

- a. convening of a unitholder meeting;
- b. termination of the Fund;
- c. amending of the constitution;
- d. defending or bringing litigation proceedings; and
- e. replacement of the Responsible Entity.

Buy/sell spread

The purpose of the buy/sell spread is to ensure that the transaction costs to the Fund of buying or selling underlying assets is borne by investors as they invest or withdraw and to not disadvantage longer term investors.

The Responsible Entity has discretion to waive or reduce the buy/sell spread where the Fund incurs no costs, or reduced costs in connection with a specific application or redemption. Investors will be provided with notification of any changes to the buy/sell spread via Capital Group's website at www.thecapitalgroup.com.au.

Differential fees

The Responsible Entity may agree with wholesale clients (as defined in the Corporations Act 2001) to rebate some of the management costs on a case by case basis. Wholesale clients should contact the Responsible Entity using the details in the PDS to discuss a rebate of management costs. The Responsible Entity takes into account relevant factors which may include the size of the wholesale client's investment. Such rebates are granted by the Responsible Entity after consultation with the Investment Manager as they entail a corresponding reduction of the latter's compensation. The Responsible Entity is not permitted to enter into individual fee arrangements with other investors.

7. Tax

This section provides general information only on selected Australian tax matters and is only applicable to investors in the Fund that hold their units on capital account. The tax comments in this section do not take into account the specific circumstances of the investor. In particular, they may not be relevant to investors that are subject to special tax rules such as banks, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

Investing in a registered managed investment scheme (such as this Fund) is likely to have tax consequences. Australian tax laws are complex and subject to change. The tax comments below are based on the current tax law and administrative and judicial interpretations of the law in Australia as at the date of this PDS. The comments do not take into account any changes in the tax law or future judicial precedents of the law after this time. Investors are advised to seek their own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to investors based on their particular circumstances before investing in the Fund.

7.1 How managed investment schemes are taxed

General Tax Considerations

Investing in a registered managed investment scheme is likely to have tax consequences dependent on your personal circumstances. The Fund should be characterised as a resident trust estate for Australian income tax purposes. The trust estate, or the Responsible Entity of the trust estate, should generally not be subject to tax on its net (tax) income (including any net capital gains) for the relevant income year. Rather, the investors in the Fund should generally be assessed on their share of the net (tax) income of the Fund for the relevant income year. That is, your share of the net (tax) income (including any net capital gains) of the Fund should be included in your tax return in the income year in which you become presently entitled to the income of the trust estate.

Specific Tax Considerations

Controlled Foreign Company Provisions

The Controlled Foreign Company (CFC) rules can attribute income to the Fund that has been derived but not distributed by a foreign company where, in broad terms, the Fund together with its associates control the foreign company. Provided the associate-inclusive control interest held by the Fund in the Underlying Fund is less than 10%, the CFC provisions should not be applicable to the Fund in respect of its interest in the Underlying Fund.

7.2 Tax for Australian resident investors

Tax on distributions

As it is intended that all net (tax) income of the Fund will be distributed to investors in each income year, it is expected that the Fund should not pay tax on its net (tax) income. Your share of the net (tax) income of the Fund should be included in your taxable income in the income year in which you become presently entitled to that share of the income of the trust estate. This is the case even if the Fund does not pay a cash distribution, the distribution is reinvested in additional units in the Fund, the distribution is paid in the next income year, or where the income distributions differ to the net (tax) income of the Fund.

The tax treatment of the net (tax) income in your hands may depend on the type of income it represents, as the amounts distributed to investors from the Fund should retain the character they had in the Fund for income tax purposes.

The Fund's net (tax) income may include Australian sourced interest income from investments in cash (and equivalent) investments, revenue gains and losses from currency fluctuations, foreign sourced income and net capital gains.

Where the net (tax) income distributed represents foreign sourced income, you may be entitled to foreign income tax offsets for foreign income tax already paid on that income. The grossed up foreign income, which includes the foreign income tax offset, should be included in your assessable income as foreign income, and a tax offset may be claimed.

In respect of net capital gains, it is noted that the Fund will make an election to apply the capital gains tax (CGT) rules as the primary code for taxing gains and losses on the disposal of its investments. Gains and losses on the disposal of shares or units by the Fund should be taxable on capital account under the CGT rules. To the extent that net capital gains are distributed to you, you may be able to apply the CGT discount rules (See "Tax on disposal of units"). The tax treatment of these amounts in your hands will vary depending on your individual circumstances.

You may receive other non-assessable distributions from the Fund. Such distributions should reduce the tax cost base of the units of the investor in the Fund on which the distribution is made. Further, where the tax cost base is reduced to nil, the amount by which the non-assessable component exceeds the tax cost base of the unit should be regarded as a capital gain made by the investor that holds the unit.

In the case where the Fund makes a loss for tax purposes for a particular income year, the Fund cannot distribute the tax loss to investors. However, subject to the Fund satisfying the relevant loss utilisation rules, the loss may be carried forward and applied by the Fund against its income in future income years.

In respect of each income year for which investors receive a distribution from the Fund, the Responsible Entity will send an annual tax statement to investors that will disclose the composition of the distributions the investor has received from the Fund, which may include discount capital gains, non-discount capital gains, Australian sourced interest and other income, assessable foreign source income, foreign income tax offsets, CGT concession, and other non-assessable amounts.

Tax on disposal of units

If you redeem or transfer units in the Fund, this should constitute a disposal for Australian income tax purposes. Generally, gains / losses arising from the disposal of the units should be regarded as capital in nature and subject to CGT. This capital gain / loss should be included in the net capital gain calculation of the investor for the relevant income year. Australian income tax may be payable on any net capital gain that is made for the relevant income year.

A capital gain would be made where the capital proceeds from the disposal exceeds the cost base of the relevant unit. A capital loss would be made from the disposal where the capital proceeds from the disposal of the unit are less than the reduced cost base of the unit. In order to determine their capital gain or capital loss position from the disposal of any unit, investors will need to adjust the tax cost base of each unit in the Fund for any non-assessable components that have been received from the Fund on that unit.

If you make a capital gain on the disposal of units, and you held the units for at least 12 months prior to disposal, you may be able to discount the capital gain by 50% if you are an individual or trust, or by 33.33% if you are a complying superannuation fund (after the application of any capital losses arising from other sources). If you make a capital loss on the disposal of units, you should be able to offset the capital loss against other capital gains you make in the same income year, and/or carry forward the loss for use in later income years subject to satisfaction of the relevant loss utilisation rules.

7.3 Tax for non-resident investors

Tax on distributions

If you are not an Australian resident for tax purposes, or if you provide us with an address outside Australia, tax may be withheld from some Australian sourced taxable components of distributions that are made by the Fund to non-residents. The rate of withholding tax is dependent on the character of the distribution, the country in which you are tax resident and the application of a double taxation agreement (if any) between Australia and that country. For example, if the nature of the distribution is regarded as Australian sourced interest, the withholding tax rate should be 10%. Depending on your country's tax laws, you may receive a credit for the Australian withholding tax paid.

Foreign sourced income derived by the Fund may have been subject to tax in a country outside of Australia. If you are a non-resident, you may, depending on your country's tax laws, be entitled to foreign tax credits for tax paid by the Fund in relation to its foreign sourced income. Foreign sourced income distributed to a non-resident should not be subject to Australian income tax.

Further, any non-assessable distributions made by the Fund should not be subject to Australian withholding tax.

In respect of each income year for which investors receive a distribution from the Fund, the Responsible Entity will send an annual tax statement to investors that will indicate the composition of the distributions the investor has received from the Fund, which may include discount capital gains, non-discount capital gains, Australian sourced interest and other income, assessable foreign source income, foreign income tax offsets, CGT concession, and other non-assessable amounts.

You may be subject to the tax laws in your country of residence and should obtain professional tax advice before investing in the Fund.

Tax on disposal of units

Where a non-resident makes a capital gain or capital loss on disposal of units in the Fund, the capital gain or capital loss should not be subject to Australian income tax if the units do not constitute taxable Australian property. A non-resident's units in the Fund would constitute taxable Australian property if (i) the units were used at any time in carrying on a business through a permanent establishment in Australia, or (ii) the assets of the Fund are predominantly real estate situated in Australia (or shares or units in entities whose assets are predominantly real estate situated in Australia) and the non-resident has a non-portfolio interest (which is generally an interest of 10% or greater, taking into account interests of associates) in the Fund.

7.4 Tax File Number (TFN) or Australian Business Number (ABN)

Investors have the choice of whether to quote their TFN or ABN when the investor opens a Fund account. The investor does not have to quote a TFN or ABN, but it is a requirement of relevant taxation laws that the Responsible Entity will withhold tax at the highest marginal tax rate (plus Medicare levy) from income distributions to the investor if the investor has not quoted their TFN/ABN or provided appropriate exemption information. Collection of TFN or ABN information is authorised and its use and disclosure are strictly regulated by the taxation laws and the Privacy Act. If you are exempt from quoting a TFN, please quote the equivalent ATO code in the TFN space provided (e.g. Aged pension is 444 - 444 - 441).

7.5 Goods and Services Tax (GST)

Investors should not be subject to GST on applications to or redemptions from the Fund. The Fund may incur GST in respect of various expenses and may not be entitled to full input tax credits in respect of all the GST it incurs.

7.6 Investment by US Investors

Please note that the Fund will not accept applications from persons who are resident in the United States of America.

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

The Fund may be a Reporting Financial Institution under the Inter-Governmental Agreement between the Australian and US governments in relation to the Foreign Account Tax Compliance Act (FATCA), a law which imposes certain due diligence and reporting obligations on non-US financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through the use of non-US domiciled investments or accounts.

The Fund may also be a Reporting Financial Institution under the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 which implemented the OECD Common Reporting Standard (CRS) in Australia. This standard requires Reporting Financial Institutions in Australia to report to the ATO details of their foreign investors.

Note, to the extent the Fund is required to comply with either the FATCA or CRS requirements, the Responsible Entity will conduct due diligence on prospective Investors in the Fund and will require certain information and documentation at the time of an Investor's application for Units. Where required, the Responsible Entity will report information in respect of certain Investors and their Units in the Trust to the ATO. The ATO will share information reported to it by the Reporting Financial Institutions with the U.S. Internal Revenue Service for FATCA purposes, or with tax authorities of jurisdictions that have signed the CRS Competent Authority Agreement for CRS purposes.

If you are a new Investor and you do not provide us with the required information and / or documentation on request, we may not issue Units to you. Alternatively, we may report information in respect of you and your Units in the Trust to the ATO, or any distributions made to you on your Units in the Trust.

For further information in relation to how our due diligence and reporting obligations may affect you, please consult your tax adviser.

8. How to apply

Initial application

An initial application for units must be made on the original application form accompanying the PDS.

Please note that application funds will not be invested until your completed application form together with cleared funds and the required identification have been received and accepted.

Please note, applications for investment by cheque may incur a three to five day clearance period.

The Responsible Entity reserves the right to refuse applications in accordance with the Constitution.

If you are investing via an IDPS, please do not complete the application form accompanying the PDS. Instead, complete the forms the IDPS operator requires and if you have further queries, that operator can help.

Completing the application form

If an application is completed under a power of attorney, a certified copy of the power of attorney should be attached to the application form.

Incomplete applications

Application monies accompanying an incomplete application will be retained in a trust account pending receipt of the required information.

Personal details

Insert your name and personal details into the spaces provided in the application form. For joint applications the names of all applicants must be included. An Australian company must provide its Australian Business Number. Please provide information on your residency.

If you have an existing Fund account and your particulars have not changed, please provide us only with your name and account details, and complete the remainder of the form.

Correct forms of registrable names

An application must be signed in the name(s) of natural persons, companies or other legal entities acceptable to the Responsible Entity. At least one name given in full and the surname is required for each natural person.

The name of any beneficiary or any other non-registrable name may be included by stating the name in the relevant section of the application form, e.g. a self managed superannuation fund name is provided in Section 4 of the application form. Do not abbreviate names.

Declaration

Please sign the application form including the appropriate declaration. All applicants must sign. Corporate applicants may sign under common seal or by their authorised representatives. If signing under a power of attorney, you are certifying that the power of attorney has not been revoked (a certified copy of power of attorney must be submitted with this application unless we have already sighted it).

Effect of the application form

In addition to the acknowledgments contained in the Declaration on the application form, by completing and signing the application form the investor:

- a. agrees to be bound by the provisions of the Fund Constitution;
- b. acknowledges having read and understood the PDS;
- c. authorises the provision of information relating to the investor's account to the named financial adviser, and any other person authorised by that adviser, from time to time;
- d. authorises the use of the TFN information provided on the application form in respect of the Investor's Fund account;
- e. acknowledges that neither the Responsible Entity, its respective holding companies and officers, nor the Investment Manager and its respective officers and holding companies, guarantee the capital;
- f. acknowledges that the provision of the product available through the PDS should not be taken as the giving of investment advice by the Investment Manager or the Responsible Entity, as they are not aware of the investor's investment objectives, financial position or particular needs;
- g. acknowledges that they are responsible for ensuring that the information on the application form is complete and correct;
- h. acknowledges that neither the Responsible Entity nor its agents are responsible where a loss may be suffered as a result of the Investor providing incorrect or incomplete information;
- i. agrees that Capital Group Investment Management Limited
 - i. require the investor to provide any additional documentation or other information and perform any acts to enable compliance with any laws relating to anti-money laundering and counter terrorism financing (AML) or any other law;
 - ii. at its absolute discretion and without notice to the investor, take any action it considers appropriate including blocking or delaying transactions on the investor's account or refuse to provide services to the investor to comply with any law relating to AML or any other law;
 - iii. in its absolute discretion and without notice to the investor report any, or any proposed transaction or activity to any body authorised to accept such reports relating to AML or any other law;
- j. confirms that they are not a resident of the United States of America;
- k. agrees that, if, as a result of any action by the investor the Responsible Entity incurs additional costs associated with maintenance of the Fund, the investor irrevocably grants the Responsible Entity a Power of Attorney to redeem the investor's units in the Fund; and
- l. agrees to be bound by the provisions of the Responsible Entity's privacy policy as amended from time to time, which is available at www.thecapitalgroup.com.au/privacy_policy.html.

A completed application form is a standing instruction to the Responsible Entity to invest further applications in the same way, unless you otherwise advise in writing. If an application is completed under a power of attorney, a certified copy of the power of attorney should be attached to the application form.

The Responsible Entity may, in its absolute discretion, accept or refuse to accept, in whole or in part, any application or subscription for units. The Responsible Entity needs not give any reason for refusal. If for any reason the Responsible Entity refuses or is unable to process your application to invest in the Funds, it will, subject to any legal or regulatory requirements, return your application money to you. Any interest earned on application monies held in the application account pending either the issue of units or the return of application money, will be retained by the Responsible Entity.

Cut-off times

Applications received, verified and accepted by the Responsible Entity along with cleared funds prior to 12:00 pm Australian Eastern Standard Time (AEST) - Sydney Time on a Dealing Day will be processed using the entry unit price for that day, except as otherwise specified in the relevant PDS. Please refer to section 8 of the relevant PDS. For applications accepted after 12:00 pm AEST - Sydney Time or received on a Non-Dealing Day, the next business day's entry unit price will apply. You will receive a statement notifying you of your investment and the units allocated. Please note that cut-off times for administration platforms may be earlier than the cut-off times outlined above. Please also note that if you make an investment at the beginning of a distribution period you may experience a delay in receiving notification of your investment while distributions and unit prices are finalised.

Allotment of units

The entry unit price used for applications on any Dealing Day is the net asset value of the Fund at close of business on that day divided by the number of units on issue, plus the buy spread (where applicable).

The number of units to be allotted in the Fund following receipt and acceptance of an application will be determined by dividing the application amount by the determined entry unit price for the Fund which may include a buy spread. The number of units is thereupon determined as a whole number, or represented as a fraction of a unit for less than a whole number, and designated to four decimal places by the Responsible Entity.

Non-Dealing Days

The Responsible Entity may take into consideration the impact that market closures will have on a Fund's ability to access investment markets, and may elect to designate such market closures as 'Non-Dealing Days' for certain Funds. This will include each business day when markets that represent 40% or more of the Fund's portfolio are closed and when the share price of the offshore fund in which the Fund solely invests is suspended. Where the Responsible Entity designates a business day as a Non-Dealing Day, instructions received on the Non-Dealing Day will be treated as being received on the following business day. A list of the Non-Dealing Days is available at thecapitalgroup.com.au.

PDS

The application form may only be distributed when accompanied by a complete and unaltered copy of the relevant PDS. The application form contains a declaration that the investor has personally received the complete and unaltered PDS prior to completing the application form.

The Responsible Entity will not accept a completed application form if it has reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS or if it has reason to believe the application form or electronic copy of the PDS has been altered or tampered with in any way. Whilst the Responsible Entity believes that it is extremely unlikely that during the period of the PDS the electronic version of the PDS will be tampered with or altered in any way, the Responsible Entity cannot give any absolute assurance that this will not occur.

Any investor in doubt concerning the validity or integrity of an electronic copy of the PDS should immediately request a paper copy of the PDS directly from the Responsible Entity.

Authorised Representative Form

Appointment of authorised representative

A person appointed as your authorised representative using the form available at http://www.thecapitalgroup.com.au/_pdf/authrep_form.pdf is authorised by you to: apply for units in the Fund and sign all documents necessary for this purpose; make requests to redeem all or some of your units (receipt by the authorised representative or as directed by the authorised representative fully discharges our redemption obligations to you); and make written requests for information regarding your units.

The Responsible Entity may act on the sole instructions of the authorised representative until the Responsible Entity is notified that the appointment of the authorised representative is terminated.

Information to be incorporated by reference

You can cancel your appointment of the authorised representative by giving the Responsible Entity 14 days prior notice, as permitted by law. Termination of an appointment does not prejudice the following statement. By appointing an authorised representative, you agree to release, discharge and indemnify the Responsible Entity from and against any loss, expense, action, claims or other liability which may be suffered by you or brought against the Responsible Entity for any actions or omissions by you or your authorised representative, whether authorised or not by you or your authorised representative. Any request for information by an authorised representative will be responded to in writing only.

Such written responses will be sent to the authorised representative's email/fax/residential address nominated on the Authorised Representative Form.

If an authorised representative is a partnership or a company, any one of the partners or any director of the company, is each individually deemed to have the powers of the authorised representative. It is sufficient for the Responsible Entity to show that it had reasonable grounds for belief that an action was taken or a request given by or for an authorised representative where determining whether an action or request was taken or given by the authorised representative.

AML identification requirements

Anti-money laundering/counter terrorism financing

Anti-money laundering legislation within Australia may require the Responsible Entity to obtain additional information to verify the identity of an Investor, any underlying beneficial owner of units in a fund or trust and the source of any payment. Where the Responsible Entity requests such information from you, processing of applications and redemptions may be delayed or not paid to you until the requested information in a satisfactory form is received.

Making an additional investment

You may make additional investments in the Fund on the Additional Application Form which can be found at www.thecapitalgroup.com.au, via a written request signed by the necessary signatories or in another format agreed with the Responsible Entity. Upon finalising your application, a confirmation of your additional investment will be sent to you.

The minimum additional investment amount is \$5,000 or as agreed with the Responsible Entity. If you are an indirect investor, please contact your IDPS operator for information on how to make an additional investment.

Withdrawing your investment

Prior to withdrawing from your investment, we suggest you speak with your tax adviser about any applicable tax implications. Completed redemption request forms received by the Responsible Entity prior to 12:00 pm AEST (Sydney Time) on a business day are deemed to be received that day. If you invest through an IDPS, master trust or wrap account, you can only redeem through that service and will need to complete the documents which the operator of such services requires to withdraw from the fund.

Indirect investors do not complete any of the Responsible Entity's forms, including the application form. Units will be redeemed at the net asset value per unit ruling at the close of business (less the sell spread) on the day the redemption notice is received, except as otherwise specified in the relevant PDS. Please refer to section 8 of the relevant PDS.

If the current unit value of your units in the Fund is less than \$500, the Responsible Entity may compulsorily redeem those units.

Indirect investors

An Investor Directed Portfolio Service ('IDPS') is an investment and reporting service offered by an operator. People who invest through an IDPS are indirect investors. We authorise the use of this PDS as disclosure to persons who wish to access the Fund indirectly through an IDPS, master trust or wrap account.

Investors gaining exposure to the Fund through an IDPS, master trust or wrap account do not themselves become investors in the Fund. It is generally the operator of the IDPS, or their custodian or nominee, that invests for them and so, has the rights of an investor. They exercise their rights in accordance with their arrangements with the investor.

Indirect investors are not required to complete the application form. Enquiries should be directed to the IDPS operator.

Offer to New Zealand Investors

The offer of units in the Fund outlined in the PDS to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial market regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>).

The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian securities is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

9. Additional information

Fund constitution

The Fund's constitution provides the framework for the operation of the Fund and sets out certain rights, duties and obligations of the Responsible Entity and you as a unitholder. Principal provisions include those dealing with:

- duties and obligations of the Responsible Entity and the unitholders;
- investment, borrowing and valuation powers and procedures;
- fees and recoverable expenses, and the limiting of the Responsible Entity's liability and indemnification;
- amendments to the constitution;
- the method by which complaints are dealt with;
- the calculation, entitlement to and distribution of income and proceeds of the Fund;
- unit issue and withdrawal mechanisms; and the calculation of unit value.

With the exception of Capital Group New Perspective Fund (AU), Fund constitution also provides for:

- mechanics that permit the Responsible Entity to establish a class of units which are officially quoted and standard mechanics for exchange traded funds, as well as provisions governing market making which will be useful if the Fund (or a class of units) will be officially quoted;
- meetings of members that reflect the requirements in the Corporations Act; and
- the power of the responsible entity to elect the Fund to become an AMIT.

Information to be incorporated by reference

The Responsible Entity may amend the constitution at any time if the amendments are not adverse to the rights of unitholders. Otherwise, the Responsible Entity must obtain the approval of unitholders by special resolution. You may inspect the Fund's constitution at the Responsible Entity's offices on any business day, free of charge. Alternatively, if you would like a copy, please forward your request to the Responsible Entity in writing.

Investment management

Capital Group Investment Management Limited, as Responsible Entity, and Capital International, Inc., a member of Capital Group, as Investment Manager have entered into a standard form of investment management agreement relating to the management of the Fund. Capital Group Investment Management Limited is a wholly owned subsidiary of Capital International, Inc. Fees are paid to the Investment Manager for its services in accordance with the investment management agreement. Whilst the investment management agreement is ongoing in nature, it may be terminated in certain circumstances including in the event of insolvency or if the Investment Manager ceases to carry on business.

The Investment Manager is appointed and remunerated on an arm's length basis pursuant to the Responsible Entity's Conflicts of Interest Policy. The Investment Manager is paid the Management Costs of the Fund net of Responsible Entity fees and all operating costs of the Fund. The risk that the Responsible Entity does not deal appropriately with issues relating to the Investment Manager is addressed in the Responsible Entity's Conflicts of Interest Policy. All Responsible Entity policies are monitored in accordance with the Responsible Entity's Compliance Management System.

Capital Group is a global provider of investment management services. The provision of services to a Fund by the Investment Manager is not exclusive as it may provide similar services to other funds or clients. The Responsible Entity generally has no control over the investment decisions of the Investment Manager. As a global investment manager, Capital Group is subject to regulatory and other constraints which, in certain circumstances, may preclude the acquisition or disposal of a security by the Investment Manager on behalf of a Fund. Without limitation, this includes where the acquisition may cause Capital Group's aggregated holdings in a company on behalf of clients to exceed applicable takeover thresholds. Such constraints may occasionally have an adverse effect on the value of a Fund's investments due to the Fund being unable to enter into or exit a position as and when desired.

If the Fund invests in a Capital Group Luxembourg based open-ended collective investment scheme (SICAV) Capital Group Investment Management Limited, as Responsible Entity, will enter into a Management Fee Agreement with Capital International Management Company Sarl ('CIMC') in respect to management fee and/or other fund expenses that are not deducted from the net asset value of the SICAV shares. The Management Fee Agreement terminates as of the date on which the Fund no longer holds shares in the SICAV.

CIMC's fees are determined on an arm's length basis pursuant to the Responsible Entity's Conflicts of Interest Policy. All Responsible Entity policies are monitored in accordance with the Responsible Entity's Compliance Management System.

The rights, obligations and role of the Responsible Entity with respect to the Fund

The role of the Responsible Entity is to carry out the general administration and operation of the Fund. Legal title to assets of the Fund is held by a custodian on behalf of the Responsible Entity. The Responsible Entity must comply with the Fund's constitution and the Corporations Act. The Fund's compliance plan sets out the measures the Responsible Entity takes to ensure compliance with these requirements.

Among other things, the Corporations Act provides that the Responsible Entity must act in the best interest of unitholders and give priority to unitholder interests if they conflict with its own.

Subject to the Corporations Act, if the Responsible Entity acts in good faith and without gross negligence, it is not liable to investors for any losses.

Your rights as an investor

Each unit you hold in the Fund confers a proportional beneficial interest in the Fund. You do not have any entitlement to any particular part of the Fund, the assets of the Fund or the management or operation of the Fund (other than through unitholder meetings).

Information to be incorporated by reference

Investments and borrowing

The Constitution does not limit the types of assets able to be acquired. We also have the power to borrow for the Fund).

Apart from short term needs, it is not the intention of either the Responsible Entity or the Investment Manager to borrow on behalf of the Fund. If we change our investment or borrowing policy we will notify you not less than ten days before the change takes effect.

Information available for Investors

Copies of the following documents may be obtained, free of charge, at the Responsible Entity's Offices:

- Fund constitution
- Fund compliance plan
- Audited financial statements of the Fund
- Responsible Entity's Privacy Policy.

In addition, we provide the following Fund information at thecapitalgroup.com.au/fund_information/:

- Unit prices
- Fund size
- Fund results
- Fund portfolio review

Online account access

Online account access is available for direct investors providing easy and convenient online access for you to:

- check the total value of your investments in each Fund;
- view your account summary, including the class of units you are invested in, the number of units, unit price and current balance of the class of units you are invested in; and
- review your recent transaction history.

Investors who wish to access their unit holding information online should register for this service online at <https://mymanagedfunds.com.au/Funds/CAPITALGROUP/Logon>. Investors will then be mailed a login ID, temporary password and activation instructions. We will provide your adviser or authorised representative with a separate login ID and password to access your account information.

Access is subject to terms and conditions which will be available online upon accessing this service.

Custodian

JPMorgan Chase Bank N.A. (Sydney Branch) AFSL 238367 ('JPMorgan') has been appointed to hold the assets of each Fund under a Master Custody Agreement. As custodian, JPMorgan will safe-keep the assets of the Fund, collect the income of the Funds' assets and act on the direction of the Responsible Entity. JPMorgan does not make investment decisions in respect of the Funds' assets that it holds.

Consents

The following entities have consented to being named in the PDS in the form and context in which they are named:

- Capital International, Inc., the Investment Manager, and Capital Group, its parent; and
- JPMorgan Chase Bank N.A. (Sydney Branch).
- MUFG Corporate Markets (formerly Link Market Services Limited)

Capital Group and Capital International have also consented to the inclusion of the statements under the heading 'Capital Group' in section 1 of the PDS in the form and context in which those statements are included.

J.P. Morgan has not been involved in the preparation of this document or caused or otherwise authorised the issue of this document. J.P. Morgan has not independently verified the information contained in this document and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.