

Morningstar International Shares Active ETF (Managed Fund)

ASX: MSTR

ARSN: 129 136 447

Distribution Reinvestment Plan | 30 September 2021

The Issuer and Responsible Entity is:
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ABN: 54 071 808 501
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Contents

1	Overview of the Distribution Reinvestment Plan	2
2	Terms and Conditions.....	2
3	Complaints.....	5
4	Definitions.....	6
5	Contact details.....	6

1. Overview of the Distribution Reinvestment Plan

The Morningstar International Shares Active ETF (Managed Fund) (the “Fund or Active ETF”) Distribution Reinvestment Plan (“DRP”) provides an opportunity for existing Unitholders to acquire additional units in the Active ETF by automatically reinvesting all or part of their Distribution entitlement without incurring commissions, brokerage or other transaction costs.

Unitholders may elect part or all their unitholding for participation in the DRP. The elected participation will apply to all subsequent Distributions until varied by that Unitholder in accordance with this DRP.

Participation in the DRP is optional. Unitholders who participate will have to abide by this DRP. If a Unitholder does not wish to participate, no further action will be required, and the Unitholder will continue to receive Distributions paid by the Active ETF in the form of cash through the nominated Australian bank account.

2. Terms and Conditions

2.1 General terms

- i. Participation to this DRP is subject to the terms within this document.
- ii. The Responsible Entity of the Active ETF has the absolute discretion to allow the reinvestment of Distributions and vary or terminate the DRP at any time by providing notice to Unitholders of the Active ETF. The Responsible Entity will give notice to the Active ETF Unitholders by making the notice available on the Responsible Entity’s website.
- iii. The accidental omission to give to a Unitholder a notice of modification, variation, amendment, suspension or termination of the DRP, or non-receipt of such a notice by a Unitholder, shall not invalidate the modification, amendment, variation, suspension or termination of the DRP.
- iv. The modification, amendment, variation, suspension, recommencement or termination does not give rise to any liability on the part of, or right of action against the Responsible Entity or any of its officers, employees or agents.
- v. If the DRP is varied, a DRP Participant continues to participate under the DRP and these Terms and Conditions in their varied form, unless the DRP Participant terminates its participation in the DRP in accordance with these Terms and Conditions.
- vi. If the DRP is suspended and is later recommenced, then upon recommencement, all prior elections are reinstated subject to any variation or termination validly given by a DRP Participant prior to the next Ex-Distribution Date after the recommencement of the DRP.
- vii. Notwithstanding any other provision of the DRP, this DRP must be administered in accordance with the ASX Operating Rules and the Constitution.
- viii. The Responsible Entity does not make any representation or warranty in respect of, or accepts any responsibility for, the liability of DRP Participants to the payment of income tax in respect of any issue of Active ETF units, payment or other transaction pursuant to the DRP. Unitholders should obtain their own specific taxation advice with respect to a DRP.

2.2 Participating in the DRP

- i. Participation to this DRP is only open to existing Active ETF Unitholders who have a registered address, as held by the Registrar on the relevant Record Date, within Australia or New Zealand (Eligible Unitholders).
- ii. Participation to this DRP by Eligible Unitholders is optional and not transferable.
- iii. A Unitholder may elect to participate in the DRP by election or in writing through the Registrar website.
- iv. If the Active ETF units are jointly held by two or more Eligible Unitholders, all joint Unitholders must make a single election to participate in the DRP for it to be valid. If one or more of the joint Unitholder is not an Eligible Unitholder, none of the joint Unitholders can apply to participate in the DRP with respect to the Active ETF units jointly held. If election is in writing each joint Unitholder must sign the election form.
- v. Where a Unitholder has more than one allocated holding on the Registrar's records, the Unitholder will have to make a separate election for each holding.
- vi. To be effective for a forthcoming Distribution, the Notice must be received by the Registrar by 5pm on the Record Date for that Distribution. Notices received after 5pm on the Record Date will apply for the next Distribution.
- vii. A Unitholder is solely responsible for obtaining any necessary government or regulatory approvals and consents for that Unitholder to participate legally in the DRP.
- viii. Participation in the DRP can be made in full or partially.
 - a. Full participation is where Distributions from all the Unitholder's unit holding in the Active ETF are automatically reinvested to acquire additional units in the Active ETF.
 - b. Partial participation is where Distributions from part of the Unitholder's unit holding in the Active ETF are automatically reinvested to acquire additional units in the Active ETF. The Unitholder will have to specify the number of units or the percentage of unit holding participating in the DRP. Cash Distribution payments will be made in the normal way for units in a Fund which are not subject to the DRP.
- ix. If no election to participate is specified, participation will be deemed to be nil.
- x. If your DRP election does not clearly indicate the level of participation in the DRP, the Responsible Entity may determine that, without notice to you, your DRP election is deemed to be nil and you will instead receive your Distributions as Cash.
- xi. The Responsible Entity may in its absolute discretion accept or refuse any Notice. Once the Notice has been accepted it will apply to all future Distributions until the DRP Participant terminates participation under the DRP or the Responsible Entity terminates the DRP in accordance with this DRP Policy.
- xii. A Unitholder who elects Partial participation but have not provided valid Australian bank account details will have the 'cash portion' withheld by the Registrar until such time valid Australian bank details are provided.
- xiii. Unitholders who do not participate in the DRP and receive Distributions as Cash need to provide valid Australian bank details. Otherwise, the Registrar will withhold the payment until such time valid Australian bank details are provided.
- xiv. The Responsible Entity may in its absolute discretion accept or refuse to accept in whole or in part any Notice. Without limiting the generality of the above, the Responsible Entity may from time to time determine that the right to participate in the DRP is not available to Unitholders:
 - a. who have registered addresses in a country or place where participation in the DRP would or may be unlawful or if any other requirements under the laws of that country cannot reasonably or practicably be complied with by the Responsible Entity at a cost that is acceptable to the Responsible Entity; or
 - b. whose participation in the DRP might lead to foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Fund in breach of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

- xv. If the Responsible Entity refuses a Notice of Variation or Electronic Notice, the Responsible Entity must notify the relevant Unitholder of the refusal as soon as practical afterwards. The Responsible Entity will not be obliged to state reasons for the refusal of a Notice.

2.3 Termination or variation of participation in the DRP

- i. The DRP Participant may at any time terminate its participation in the DRP, by lodging a Notice either in writing or by election through the Registrar's website.
- ii. To be effective for a forthcoming Distribution the termination Notice must be received by the Registrar by 5pm on the Record Date for that Distribution.
- iii. If a DRP Participant disposes of all its unit holdings in the Active ETF, it will be deemed to have terminated its participation in the DRP on the last date on which the Registrar registered the disposal of the Active ETF units.
- iv. A DRP Participant will be deemed to have terminated their participation in the DRP on termination of the DRP by the Responsible Entity in accordance with clause 2.1.
- v. A DRP Participant will be deemed to have terminated their participation in the DRP upon the DRP Participant ceasing to be eligible for participation in the DRP, for example by changing their registered address to an ineligible country.
- vi. If a DRP Participant dies, participation in the DRP terminates upon receipt by the Registrar of written notice of the death. If a DRP Participant is declared bankrupt or is wound up, participation in the DRP terminates upon receipt by the Registrar of a notification of bankruptcy or winding up from the DRP Participant or the DRP Participant's trustee in bankruptcy, or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Unitholders.
- vii. If a DRP Participant terminates (or is deemed to have terminated) its participation in the DRP, the amount of any credit balance held in the DRP Participant's account will be paid to the DRP Participant, at a time and in a manner determined by the Responsible Entity.
- viii. A DRP Participant may at any time vary the level of participation (but not the terms of the participation under the Rules) in the DRP by lodging a Notice either in writing or through the Registrar's website specifying the variation to be made in the level of participation. The variation in the level of participation will take effect from the date of receipt of that further Notice.
- ix. An Active ETF Unit which has ceased to be a DRP Participating Unit is not prohibited from subsequently becoming again subject to the DRP.

2.4 Operational aspects of the DRP

- i. The Responsible Entity will establish and maintain a DRP Account for each Unitholder in respect of which there are DRP Participating Units. The Responsible Entity will, in respect of each Distribution payable pertaining to such units:
 - a. calculate the amount of the Distribution payable in respect of the DRP Participating Units;
 - b. calculate any withholding payments that are deductible in respect of the Distribution payable on the DRP Participating Units in that holding, and any other amounts that the Active ETF is entitled to retain in respect of those DRP Participating Units;
 - c. credit the remainder of the Distribution payable amount calculated less any withholding payments that are deductible in respect of the DRP Participating Units, to the relevant DRP Account.
 - d. determine the whole number of DRP Issued Units which may be acquired under the relevant DRP at the DRP Price by dividing the amount standing to the credit of the relevant DRP Account by the DRP Price and rounding down the resulting number to the nearest whole number.
- ii. Each Distribution payable to an Eligible Unitholder in respect of DRP Participating Units and which is available for payment to the Unitholder will be applied by the Responsible Entity on the Unitholder's behalf in acquiring or subscribing for additional Units.

- iii. Any residual amounts and fractional entitlements due to rounding will be credited to the Unitholder and included in the calculation of the next Distribution reinvestment DRP Issued Units. No interest will be payable in relation to the residual and fractional entitlements.
- iv. No commission, spread, stamp duty or brokerage cost is payable by the DRP Participant in relation to the issue to the DRP Issued Units.
- v. The DRP Issued Units will be issued within the time required by the ASX Operating Rules and the Constitution. The issue date is generally effective at the Distribution payment date.
- vi. The DRP Issued Units issued under this DRP will have an equal ranking with all existing Active ETF Units.
- vii. A combined holding statement and DRP statement will be issued to each DRP Participant following the issue of units containing the following information:
 - a. the number of DRP Participating Units for each Unitholder as at the relevant Record Date;
 - b. the Distribution payable to the Unitholder;
 - c. the Distribution payable that is applied towards the issue of the DRP Issued Units;
 - d. the Distribution payable that is not applied towards the issue of the DRP Issued Units;
 - e. the number of DRP Issued Units issued to the Unitholder under this DRP Policy;
 - f. the DRP price at which the DRP Issued Units were issued;
 - g. if applicable, the amount of withholding tax and any other amount which has been deducted from the Distribution payable on the Participating Units;
 - h. the amount and extent to which the Distribution is taxable (if known at the time); and
 - i. such other information as the Responsible Entity may at any time and from time to time determine.

2.5 Administration of the DRP

- i. The Responsible Entity will administer the DRP in conjunction with its appointed Registrar.
- ii. The Responsible Entity has, amongst other things, the power and reserves the right to:
 - a. determine procedures in administering this DRP consistent with this DRP Policy.
 - b. delegate relevant functions necessary to implement the DRP.

2.6 Governing Law

- i. The DRP will not apply in any case where, in accordance with the Constitution or otherwise by law, the Responsible Entity is entitled by law to retain all or part of the Distribution payable in respect of Units which a Participant has nominated as participating in the DRP or where the Responsible Entity is entitled to a charge over those Units or over any relevant Distribution payable.
- ii. The DRP, the Rules and the operation of the DRP are governed by the laws of New South Wales, Australia.

3. Complaints

Morningstar aims to provide you with quality ongoing service and has established procedures for dealing with complaints. If you are dissatisfied or have a complaint about your investment in the Fund, please contact us either via email at complaints@morningstarinvestments.com.au or by phone on 1800 951 999 (toll free).

Your complaint will be acknowledged within 24 hours (1 Business Day) of receipt and Morningstar will make every effort to resolve your complaint within 20 days of receipt. In any event, we will finalise our response no later than 30 days after receipt.

If you are still not satisfied, you may refer the matter to an external dispute resolution scheme.

The Australian Financial Complaints Authority ('AFCA') is an external dispute resolution scheme. AFCA operations are financed by contributions made by its members, including Morningstar. The scheme is free to consumers. Please direct any matters to AFCA as below:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Tel: 1800 931 678

Email: info@afca.org.au

Web: www.afca.org.au

4. Definitions

'Active ETF' means the Morningstar International Shares Active ETF (Managed Fund) referred to in this Distribution Reinvestment Plan.

'Cash Distribution' means that part of a Distribution which a Unitholder has not elected to participate in the DRP.

'Constitution' means the constitution of the Fund, as amended from time to time.

'Distribution' means the amount calculated and to be distributed by the Responsible Entity to the Unitholders of the Active ETF in accordance with its Constitution.

'Distribution Entitlement Date' means the date on which entitlement to the Distribution is determined in accordance with the constitution.

'Distribution Payment Date' means the date determined by the Responsible Entity for the payment of a distribution by the Fund.

'DRP' means the Active ETF's Distribution Reinvestment Plan.

'DRP Account' means the account established and maintained by the Responsible Entity for each DRP Participant in accordance with these terms and conditions.

'DRP Issued Units' means new units in the Active ETF that are issued from the DRP.

'DRP Participant' means an eligible Unitholder whose Notice to participate in the DRP has been accepted by the Responsible Entity.

'DRP Participating Units' means in respect of any holding, the number of units in that holding participating in the relevant DRP from time to time.

'DRP Price' means the price at which DRP Issued Units will be issued or acquired under this DRP. It is calculated based on the actual calculated NAV price of the Active ETF as at the end of the Distribution Entitlement Date, less the distribution entitlement per unit. There would normally be no buy/sell spread associated with reinvestment because the assets remain invested in the Fund. The DRP price is rounded to four decimal places.

'Eligible Unitholder' or 'Unitholder' means a person registered as a security holder on the Record Date applicable to the ETF/Active ETF Distribution Period and has a registered address in Australia or New Zealand.

'Ex Distribution Date' means the first day on which Active ETFs trade on the ASX without an entitlement to the relevant Distribution.

'Record Date' means the date announced by the Responsible Entity as the date the relevant Active ETF register is closed for the purpose of determining which Unitholders are entitled to receive the current distribution.

'Register' means the official record of the names and the number of units held by each Unitholder in the Active ETF.

'Registrar' means Link Market Services Limited (ABN 54 083 214 537) who keeps and maintains the Register as appointed by the Responsible Entity.

'Responsible Entity' means Morningstar Investment Management Australia Limited.

5. Contact Details

Responsible Entity and Issuer:

Morningstar Investment Management Australia Limited

Level 3, International Tower 1

100 Barangaroo Avenue

Barangaroo NSW 2000

Tel: 1800 951 999 (toll free)

Fax: +61 2 8572 9913

Web: morningstarinvestments.com.au/MSTR
Email: invest@morningstar.com.au

Registrar

Link Market Services Limited
Telephone: 1300 420 094 (between 8:30am to 7:30pm)
Monday to Friday (excluding Public Holidays)
Fax: +61 2 9287 0303
Fax: +61 2 9287 0309 (for proxy voting)
Email: registrars@linkmarketservices.com.au
Mail: Locked Bag A14, Sydney South NSW 1235

ASX enquiries

Telephone: 131 279 (within Australia)
Telephone: +61 2 9338 0000 (outside Australia)