

# Spheria Opportunities Fund

ARSN 144 032 431 APIR WHT0025AU ISIN AU60WHT00253 ASX SPM03

## Product Disclosure Statement

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Issued by: Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371

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### Contact details

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Website: [www.spheria.com.au](http://www.spheria.com.au)

## Important information

This Product Disclosure Statement ('PDS') provides a summary of significant information you need to make a decision about the Spheria Opportunities Fund ARSN 144 032 431 ('Fund'). The PDS should be considered before making a decision to invest in the Fund. It includes references to other important information which is in the Additional Information to the PDS and forms part of this PDS. You can access these documents at [www.spheria.com.au](http://www.spheria.com.au) or call 1300 010 311 for a copy.

The information in the PDS is general information only. To the extent the information in the PDS constitutes financial product advice, such advice is general advice only and has been prepared without taking into account your objectives, personal financial situation or needs. Before investing, you should consider the appropriateness of the advice in light of your own objectives, financial situation and needs, and consider obtaining financial advice tailored to your personal circumstances. You should also read the PDS before making any decision about whether to acquire units. The investment offered in the PDS is available only to persons receiving the PDS (electronically or in hard copy) within Australia and New Zealand. Units in the Fund may not be offered or sold within the US, or sold to, or for the account or benefit of, any 'US Persons' (as defined in Regulation S of the US Securities Act 1933, as amended).

All monetary amounts referred to in the PDS and the Additional Information to the PDS are given in Australian dollars and all phone/fax numbers are to phone/fax numbers in Australia (unless otherwise stated). All calculation examples shown are rounded to the nearest whole dollar.

A reference to a 'Business Day' is a reference to a day which is not a Saturday, Sunday or public holiday in New South Wales, Australia.

## Updated information

The information in the PDS may change over time. The Responsible Entity may update this information where this does not involve a material adverse change and make it available to you, where permitted by law, via [www.spheria.com.au](http://www.spheria.com.au). You can also obtain updated information by contacting us on 1300 010 311. A paper copy of any updated information is available free on request. By making an application to acquire a unit, you agree to receive certain communications and disclosures in relation to the Fund and units in digital form. You should read the important information set out in the 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material in the Additional Information to the PDS may change between the time when you read the PDS and the day when you sign the Application Form.

## Section 1: About Pinnacle Fund Services Limited

### Pinnacle Fund Services Limited

Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371 is the Responsible Entity ('Responsible Entity', 'we', 'our', 'us') of the Spheria Opportunities Fund ARSN 144 032 431 ('Fund').

Pinnacle Fund Services Limited is wholly owned by Pinnacle Investment Management Limited ABN 66 109 659 109 AFSL 322140 ('Pinnacle'). Pinnacle supports the development of high-quality investment management businesses and is the distributor of the Fund.

Citigroup Pty Limited ('Citi') has been appointed as Custodian and Fund Administrator for the Fund. Citi's role as Custodian is limited to holding assets of the Fund. As the Fund Administrator, Citi is responsible for the day to day administration of the Fund.

We have appointed Spheria Asset Management Pty Limited ABN 42 611 081 326 ('Spheria' or 'Investment Manager') as the investment manager of the Fund. Spheria has been appointed as a corporate authorised representative (1240979) of Pinnacle.

Neither the Responsible Entity nor Spheria guarantees the performance of the Fund or the return of capital or income. Your investment in the Fund is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested.

### Spheria Asset Management Pty Limited

Spheria is a fundamental based investment manager with a bottom-up focus, specialising in smaller companies. Its investment philosophy is to purchase securities where the present value of future free cash flows can be reasonably ascertained, and the security is trading at a discount to the calculated intrinsic value, subject to certain risk criteria.

## Section 2: How the Spheria Opportunities Fund works

<b>How does the Fund operate?</b>	<p>The Fund is a registered managed investment scheme. When you invest in the Fund, your money will be pooled with that of other investors and you will be issued 'units'. Each unit held in the Fund gives the unit holder a beneficial interest in the Fund as a whole, but not in any particular asset of the Fund. Holding units in the Fund does not give a unit holder the right to participate in the management or operation of the Fund. Each unit in the Fund offered or issued under this PDS is of equal value and identical rights (as between units of the same class) are attached to all such units.</p> <p>We are required by the Corporations Act to treat all unitholders within a class of units equally and unitholders in different classes fairly. We will keep a record of the number of units you have bought.</p>								
<b>Applications</b>	<p>You can increase your investment at any time by buying more units in the Fund. When you make an investment in the Fund, your units will be allocated to you based on the entry price for the Business Day your application is processed.</p>								
<b>Minimum investments<sup>1</sup></b>	<table><tr><td>Minimum initial investment</td><td>\$25,000</td></tr><tr><td>Minimum additional investment amount</td><td>\$5,000</td></tr><tr><td>Minimum withdrawal amount</td><td>\$5,000</td></tr><tr><td>Minimum investment balance</td><td>\$5,000</td></tr></table> <p>The minimum initial investment amount does not apply to investments through an IDPS.</p>	Minimum initial investment	\$25,000	Minimum additional investment amount	\$5,000	Minimum withdrawal amount	\$5,000	Minimum investment balance	\$5,000
Minimum initial investment	\$25,000								
Minimum additional investment amount	\$5,000								
Minimum withdrawal amount	\$5,000								
Minimum investment balance	\$5,000								
<b>Withdrawal</b>	<p>You can decrease your investment at any time by withdrawing your units in the Fund. When you withdraw, your units will be redeemed based on the exit price for the Business Day on which your withdrawal request is processed. Direct withdrawal requests can be made daily, and must be received by the Fund Administrator, Citi,</p>								

	<p>prior to 12pm (Sydney time) on a Business Day. Withdrawal requests received after that time, or on a non-Business Day, will be treated as being received on the next Business Day. Electronic transfer of the redemption proceeds can take up to 7 Business Days, however it will often be completed in a shorter period of time.</p> <p>There is a minimum withdrawal amount of \$5,000. If your withdrawal request would result in your investment balance being less than \$5,000, we may treat your withdrawal request as being for your entire investment. We will provide investors with advance notice of any compulsory redemption. The minimum balance does not apply to investments through an IDPS.</p>
<b>Access to funds</b>	<p>Extreme market conditions can cause difficulties or delays to the Fund being able to sell its assets or requiring it to freeze withdrawals. These circumstances could result in it taking a period of time before you are able to withdraw your investment, or for it taking longer than usual for you to receive your withdrawal proceeds. We will not satisfy a withdrawal request if the Fund becomes illiquid (as defined under the Corporations Act 2001 ('Corporations Act')). In certain circumstances we may suspend withdrawals.</p>
<b>Unit price</b>	<p>A unit price is calculated for every Business Day which is equal to the value of the Fund's net assets attributable to the units divided by the number of units. Generally, the unit price changes daily as the market value of the Fund's assets rises or falls.</p> <p>The entry price is calculated by taking the net asset value of the Fund apportioned to the units and adding to it an amount which reflects the estimated cost of acquiring the Fund's assets (subject to the Responsible Entity's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in the Fund.</p> <p>The exit price of the Fund is calculated by taking the net asset value of the Fund apportioned to the units and subtracting from it an amount which reflects the estimated cost of selling the Fund's assets (subject to the Responsible Entity's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in the Fund.</p> <p>Current unit prices for the Fund are available on <a href="http://www.spheria.com.au">www.spheria.com.au</a> or by contacting us on 1300 010 311 or <a href="mailto:service@pinnacleinvestment.com">service@pinnacleinvestment.com</a>.</p>
<b>NAV</b>	<p>The Net Asset Value or 'NAV' of the Fund apportioned to the units is calculated by deducting the value of the fees, charges, expenses and other liabilities from the value of the gross assets attributable to the units in the Fund. Current NAV per unit of the Fund is available on <a href="http://www.spheria.com.au">www.spheria.com.au</a> or by contacting us on 1300 010 311 or <a href="mailto:service@pinnacleinvestment.com">service@pinnacleinvestment.com</a>.</p>
<b>Unit pricing policy</b>	<p>The Responsible Entity complies with ASIC Class Order 13/655 as it relates to unit pricing requirements and has adopted a compliant policy for unit pricing discretions it uses in relation to the Fund ('Unit Pricing Policy'). Additional documents may be prepared for this purpose from time to time.</p>
<b>Distributions</b>	<p>Distributions are payable half-yearly as at 31 December and 30 June subject to the Fund having sufficient distributable income. The net distributable income of the Fund is allocated to unitholders on a per-unit basis according to the number of units held in the Fund at the end of the distribution period. Distributable income is calculated annually and is generally sent to unitholders within one month of the last day of the distribution period. A distribution reduces the Fund's net asset value and is therefore reflected in the Fund's unit price.</p> $\text{Your distribution} = \frac{\text{The Fund's distributable income apportioned to units}}{\text{Total number of units on issue}} \times \text{The number of units you hold}$ <p>Distributions will be reinvested for additional units in the Fund unless otherwise instructed.</p>
<b>Indirect investors</b>	<p>Investors and prospective investors may also access the Fund indirectly. This PDS has been authorized for use by operators through an Investor Directed Portfolio Services ('IDPS') or master trust. An IDPS is an investment and reporting service offered by an operator. People who invest through an IDPS, master trust or wrap account are indirect investors. Such indirect investors do not acquire the rights of a unitholder of the Fund. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive income distributors or reports directly from us, do not have the right to attend meetings of unitholders and do not have cooling off rights. Different investment, balance and withdrawal minimums may also apply. Indirect investors should not complete the Fund's application form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or master trust, enquiries should be made directly to the IDPS operator or the trustee of the master trust.</p>
<b>mFund investors</b>	<p>The Fund has been admitted to the mFund Settlement Services ('mFund'), the managed fund settlement service operated by the ASX. mFund allows you to settle or pay the application price and be paid the redemption price, based on the net asset value of the Fund. Your unitholding will be CHESSE sponsored by your broker and identified through your individual Holder Identification Number (HIN). mFund investors may apply for or redeem units in the Fund via their broker. See <a href="http://www.mfund.com.au">www.mfund.com.au</a> for additional information.</p>

1. Or less at the discretion of the Responsible Entity. Minimum investments do not apply to IDPS investments; see your IDPS provider.

You should read the important information about 'How the Fund works' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'How the Fund Works' may change between the time when you read this PDS and the day when you sign the Application Form.

### Section 3: Benefits of investing in the Fund

The objective of the Fund is to outperform the S&P/ASX Mid-Small Accumulation Index over the medium to long term by investing predominantly in listed companies which are outside the top 50 ASX listed companies by market capitalisation and companies listed on the New Zealand Stock Exchange with an equivalent market capitalisation.

## Significant features and benefits

**Focus on cash generative businesses** | Spheria is a fundamental based investment manager with a discounted cash flow valuation approach.

**Team experience** | The investment team of Spheria has over 60 years' experience investing in equities.

**Potential for higher growth** | Microcap companies generally have more potential for growth relative to large companies as they may be in the early stages of development or are providing new services or technologies.

**Open-minded, holistic thinking** | Spheria assesses businesses with a broader view, noting that global parallels are important in a technologically evolving environment.

**Risk aware** | Assessing risk is central to Spheria's thinking around portfolio construction and investment.

## Section 4: Risks of managed investment schemes

**All investments carry risk.** All managed investment schemes carry different types of risk which can have varying impacts on returns. Due to uncertainty in all investments, there can be no assurance that the Fund will achieve its investment objectives. The value of your units at any point in time may be worth less than your original investment even after taking into account the reinvestment of Fund distributions. Future returns may differ from past returns. Returns are not guaranteed, and you may lose some or all of your money. You need to consider the level of risk that you are comfortable with, taking into account factors such as your objectives, financial situation and needs.

Risks can be managed but cannot be completely eliminated. It is important to understand that:

- the value of your investment may go up and down;
- investment returns may vary, and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- laws affecting your investment may change over time, which may impact the value and returns of your investment.

The significant risks for the Fund are:

**Concentration risk** - The risk associated with a fund that concentrates its investments in a small number of securities or invests in a small subset of an asset class, resulting in possibly higher volatility compared to the broader market index.

**Counterparty risk** - There is a risk with external counterparty and service provider arrangements that the party to a contract defaults on, or fails to perform, its contractual obligations.

**Currency risk** - Investing in assets denominated in or primarily exposed to a currency other than the Fund's base currency may cause losses resulting from exchange rate fluctuations.

**Derivative risk** - The Fund may invest in derivatives as part of its investment strategy. A derivative is an instrument whose value is linked to the value of an underlying asset and can be a highly volatile investment instrument.

**Equity security risk** - The Fund primarily invests in equity securities issued by listed companies. The share price of a security can rise and fall as a consequence of many factors including, but not limited to, economic conditions, adverse investor sentiment, management performance, financial leverage, or factors that affect the company's industry.

**Foreign investment risk** - The Fund may invest in a range of international securities or foreign investment vehicles, and in companies that have exposure to a range of international economies and regulatory environments, which may impact the Fund's international investments.

**Income risk** - The Fund may make payments (regular or irregular) as distributions, depending on the income the Fund receives from underlying assets, which may fluctuate significantly in their market value.

**Investment strategy risk** - The success of the Fund depends upon the investment manager's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Fund.

**Investment structure risk** - There are risks associated with investing in the Fund, such as risks of the Fund's termination, changes to investment strategy or structure, changes to fees or expenses, or changes to the Fund's operating rules (such as payments or reinvestments of distributions, or additional investments).

**Liquidity risk** - Whilst the Fund is primarily exposed to traded assets traded on any Australian and International exchanges, and which are generally considered liquid, under extreme market conditions there is a risk that investments cannot be readily converted into cash or at an appropriate price.

**Market risk** - The Fund has exposure to different markets, such as fixed income, equity, or derivative markets, and is not expected to behave like a cash investment. The Fund may be materially affected by market, economic and political conditions globally.

**Regulatory risk** - The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting registered managed investment schemes.

**Unlisted security risk** - Unlisted securities can be less liquid or less transparent than listed securities.

**Withdrawal risk** - If we determine that this is in the best interests of all unit holders, we may suspend or delay withdrawals and these payments may take longer than the typical timeframe.

You should read the important information about 'Risks of Managed Investment Schemes' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'Risks of Managed Investment Schemes' may change between the time when you read this PDS and the day when you sign the Application Form.

## Section 5: How we invest your money

**WARNING:** When it comes to choosing to invest in the Fund, you should consider the likely investment return, the risks and your investment timeframe.

<b>Investment return objective<sup>1</sup></b>	The Fund aims to outperform the S&P/ASX Mid-Small Accumulation Index over the medium to long term.	
<b>Benchmark</b>	S&P/ASX Mid-Small Accumulation Index	
<b>Suggested investment timeframe</b>	5 years or more	
<b>Risk level</b>	High. This means there is a high risk of losing money in any year. Conversely, the Fund aims to produce higher returns over the long term	
<b>Investment guidelines</b>	The Fund aims to hold approximately 20 to 65 securities at any time. Individual asset holdings are limited to 10% of the Fund's NAV. The Investment Manager may use exchange traded derivatives for hedging purposes as part of its investment strategy subject to the underlying effective face value being limited to 10% of the NAV of the Fund.	
<b>Portfolio allocation</b>	<b>Asset Class<sup>2</sup></b>	<b>Typical Allocation range</b>
	Australian and New Zealand equities <sup>3</sup>	80 – 100%
	Cash and cash equivalents	0 – 20%
<b>Currency exposure</b>	The Fund may have exposure to currencies other than the Australian dollar. The Fund does not aim to hedge this international currency exposure.	
<b>Labour standards or environmental, social or ethical considerations</b>	Spheria applies environmental, social (including labour standards) and corporate governance ('ESG') considerations when selecting, retaining or realising investments in the Fund. The investment team measure individual companies with respect to their ESG standing relative to peers, which is then incorporated into the valuation. In reviewing a company that is already owned, it may also look to engage with the company and influence its thinking with respect to these matters, and where Spheria believes the company has demonstrated wilful disregard for ESG principles it may choose to divest or avoid, if not already owned.	
<b>Change to Fund details</b>	We have the right to change the Fund's asset classes, asset allocation ranges and investment return objectives without prior notice. We will inform investors of any material change to the Fund's details via <a href="http://www.spheria.com.au">www.spheria.com.au</a> or as otherwise required by law.	

1. The investment objective is expressed after the deduction of management fees, expense recoveries and taxation, i.e. the investment objective is measured relative to the Fund's benchmark, after fees and costs and taxes are deducted from the Fund's performance. Refer to Sections 6 and 7 for further information on fees and costs and taxation. The investment objective is not intended to be a forecast, it is only an indication of what the investment strategy aims to achieve over the medium to long term, assuming financial markets remain relatively stable during that time. The Fund may not achieve its investment objective and returns are not guaranteed.
2. The above ranges are indicative only. The Fund will be rebalanced within a reasonable period of time should the exposure move outside of the above ranges.
3. While the Fund primarily invests in Australian equities, the Fund may at times also invest in overseas listed equities.

You should read the important information about 'How we invest your money' and 'How we keep you informed' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'How We Invest Your Money' may change between the time when you read this PDS and the day when you sign the Application Form.

## Section 6: Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund (being the Responsible Entity) or your financial adviser.

### TO FIND OUT MORE

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

The information in the following Fees and Costs Summary can be used to compare between different simple managed investment schemes. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund's assets as a whole. Taxes are set out in Section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

**WARNING:** Additional fees and costs may be paid to a financial adviser if a financial adviser is consulted. The details of these fees and costs should be set out in the Statement of Advice by your adviser.

## FEES AND COSTS SUMMARY: SPHERIA OPPORTUNITIES FUND

Type of fee or cost

### Ongoing Annual Fees and Costs<sup>1,3</sup>

#### 6 Management fees and costs

The fees and costs for managing your investment

0.99% p.a. of the NAV of the Fund

The management fee is calculated on the net asset value of the Fund. It is reflected in the daily unit price and payable monthly in arrears from the Fund.

Extraordinary expenses are paid from the Fund assets as and when incurred.<sup>5</sup>

#### Performance fees

Amount deducted from your investment in relation to the performance of the product

0.01% p.a. of the NAV of the Fund

If applicable, a performance fee of 15% of the Fund's outperformance (net of management fees) relative to its benchmark return<sup>4</sup> multiplied by the net asset value of the Fund

The performance fee is calculated and accrued each Business Day and is reflected in the daily unit price. The performance fee is payable half-yearly as at 31 December and 30 June.

#### Transaction costs

The costs incurred by the scheme when buying or selling assets

Transaction costs are estimated to be 0.15% p.a. of the NAV of the Fund

Transaction costs associated with dealing with the Fund's assets may be recovered from the Fund. As some transaction costs will be paid for by investors who are charged the buy/sell spread when they enter or exit the Fund, the transaction costs shown are net of the buy/sell spread.

### Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)

#### Establishment fee

The fee to open your investment

Nil

Not applicable

#### Contribution fee

The fee on each amount contributed to your investment

Nil

Not applicable

#### Buy/sell spread<sup>2</sup>

An amount deducted from your investment representing costs incurred in transactions by the scheme

0.30% upon entry and 0.30% upon exit

The buy/sell spread is applied to each application and withdrawal from the Fund and operates to increase the relevant unit price for each new investment and to decrease the unit price for each withdrawal to cover costs of dealing with the Fund's assets.

#### Withdrawal fee

The fee on each amount you takeout of your investment

Nil

Not applicable

#### Exit fee

The fee to close your investment

Nil

Not applicable

#### Switching fee

The fee for changing investment options

Nil

Not applicable

1. Fees are inclusive of GST and net of any applicable Reduced Input Tax Credits ('RITC').
2. When money moves in or out of the Fund, you may incur a buy/sell spread which is included in the unit price of the Fund. Refer to 'Buy/Sell spread' in 'Additional Information to the PDS' for more information.
3. Fees and costs can be negotiated for certain investors such as wholesale clients (as defined in the Corporations Act), depending on factors such as the amount invested.. Refer to 'Differential fee arrangements' in 'Additional Information to the PDS' for more information.
4. The Fund's benchmark is the S&P/ASX Mid-Small Accumulation Index. Refer to 'Performance fees' information in 'Additional Information to the PDS' for more information
5. Refer to 'Extraordinary Expenses' in 'Additional Information to the PDS' for more information.

### Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a one (1) year period. You should use this table to compare this product with other managed investment products.

Example of fee or cost	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	0.99% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495



Example of fee or cost	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
<b>PLUS</b> Performance fees	0.01% p.a. <sup>1</sup>	<b>And</b> , you will be charged or have deducted from your investment \$5 in performance fees each year
<b>PLUS</b> Transaction costs	0.15% p.a.	<b>And</b> you will be charged or have deducted from your investment \$75 in transaction costs.
<b>Equals Cost of Fund</b>	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 <sup>2</sup> during the year, you will be charged a fee of \$575.	
<b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>		

1. The example includes a performance fee estimate of 0.01% which is the five-year average of the performance fees charged by the Fund. This is the Responsible Entity's reasonable estimate of the annual performance fee. However, the actual performance fee payable (if any) will depend on the performance of the Fund and the performance fee estimate provided may not be a reliable indicator of future performance fees of the Fund.
2. The example assumes management costs are calculated on a balance of \$50,000 with the \$5,000 contribution occurring at the end of the first year. Therefore, management costs are calculated using the \$50,000 balance only. Additional fees may apply, including a buy/sell spread.

Please note that this is just an example. In practice, your investment balance will vary, as will related management costs. Fee rebates may be individually negotiated with wholesale clients (as defined in the Corporations Act). Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au) for further information about negotiable fees.

We have the right to increase the fees or to charge fees not currently levied up to the maximum limits set out in the Fund constitution without your consent. If we choose to exercise this right, we will provide you with 30 days prior written notice.

You should read the important information about 'Fees and costs' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'Fees and Costs' may change between the time when you read this PDS and the day when you sign the Application Form.

## Section 7: How managed investments schemes are taxed

**WARNING:** Investing in a registered managed investment scheme may have tax consequences. You are strongly advised to seek professional tax advice.

The taxation implications of investing in the Fund can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units on capital account or revenue account.

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Investors are generally subject to a tax on their share of taxable income and capital gains attributable to them by the Fund each year.

You should read the important information about 'Taxation' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'Taxation' may change between the time when you read this PDS and the day when you sign the Application Form.

## Section 8: How to apply

### Direct investors

To apply for units in the Fund directly, please read this PDS together with the Additional Information to the PDS located at [www.spheria.com.au](http://www.spheria.com.au) then complete the Application Form.

Direct applications received, verified and accepted by the Citi prior to 12pm (Sydney time) on a Business Day will generally be processed using the unit price for that day. For applications accepted after 12pm (Sydney time) or on a non-Business Day, generally the next Business Day's unit price will apply.

We reserve the right not to accept (wholly or in part) any application for any reason or without reason. No interest is received on application monies, including monies for additional investments, and no interest will be paid to you if for any reason your application can not be accepted.

### Indirect investors

If you are investing through an IDPS or a master trust, enquiries relating to your account should be made directly to the IDPS operator or the trustee of the master trust.

### mFund investors

You may apply for units in the Fund via your broker through mFund.

### Cooling-off

If you are a retail client (as defined in the Corporations Act) investing directly in the Fund, you have a 14-day cooling-off period. If you exercise your cooling-off rights, we will return your money to you and no fees will apply. However, the amount you receive will reflect any movement (either up or down) in the unit price of the Fund which means that there may be tax implications for you. The 14-day cooling-off period commences on the earlier of the end of the fifth Business Day after we issue the units to you or from the date you receive confirmation of your application.

If you exercise cooling-off rights, we will return your money to you and no fees will apply. However, the repayment of your investment under the cooling-off rights is subject to market adjustment (either positive or negative) during the period in which the investment has been held. Where appropriate, administration costs may also be deducted, and the buy/sell spread will be applied. Therefore, there may be tax implications for you.

A cooling-off period does not apply to:

- wholesale clients (as defined under the Corporations Act),
- the operator of an IDPS or trustee of a master trust. Indirect investors do not have cooling off rights in respect of any units held in the Fund. Speak with the IDPS operator or trustee of a master trust to determine whether any cooling-off rights are available to you through the service; or
- where units have been issued as a result of an additional investment, switch or distribution reinvestment plan.

## Complaints

The Responsible Entity has in place a procedure for handling all complaints. All complaints should be made by contacting us:

### Complaints Resolution Officer

Pinnacle Fund Services Limited

PO Box R1313

Royal Exchange NSW 1225

Email: [complaints@pinnacleinvestment.com](mailto:complaints@pinnacleinvestment.com)

Telephone: 1300 010 311

All complaints received will be acknowledged in writing within 1 Business Day or as soon as practicable after receiving the complaint. The Responsible Entity will act in good faith to ensure your complaint is investigated and resolved. If your issue has not been satisfactorily resolved within 30 calendar days, you can lodge a complaint with the Australian Financial Complaints Authority ('AFCA'). AFCA provides fair and independent financial services complaints resolution that is free to consumers. You can contact AFCA at:

Website: [www.afca.org.au](http://www.afca.org.au)

Telephone: 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

The dispute resolution process described in this PDS is only available in Australia.

If you are an indirect investor, you may either contact your IDPS operator or us with complaints relating to the Fund. Complaints regarding the operation of your account with the IDPS should be directed to the IDPS operator. If you have first raised a complaint with your IDPS operator and are not happy with how the complaint has been handled, you should raise that with the IDPS operator or the IDPS operator's external dispute resolution service.

## Section 9: Other information

### Continuous disclosure documents

The Responsible Entity will comply with the continuous disclosure requirements for disclosing entities under the Corporations Act where the Fund is a disclosing entity. This means that the Fund will be subject to regular reporting and disclosing obligations and copies of documents the Responsible Entity lodges with ASIC for the Fund may be obtained from or inspected at an ASIC office.

The Responsible Entity will also send you free, upon request, copies of:

- the most recent annual financial report for the Fund lodged with ASIC; and
- any half year financial reports for the Fund lodged with ASIC after the lodgment of the most recent annual financial report.

Also, we will comply with our continuous disclosure obligations for the Fund by publishing material information at [www.spheria.com.au](http://www.spheria.com.au).

### Consents

Spheria and Citi have consented to be named in this PDS in the form and context in which it is named and, as at the date of this PDS, have not withdrawn their consent. Spheria consents to the inclusion of statements about its investment strategy statements about the extent to which it takes labour standards and environmental, social and ethical considerations into account in making investment decisions, information about its investment team, and statements about when Spheria will effect short selling, leverage or derivatives strategies (where relevant). Spheria and Citi have not authorised or caused the issue of any part of this PDS and takes no responsibility for any part of this PDS other than the inclusion of the statements referred to above.

### Additional information, privacy and effect of application form

We may provide you with information about the Fund and your investment and collect and disclose your personal information. Also, by signing and returning the Application Form you are agreeing to certain matters, as disclosed on the Application Form.

You should read the important information about 'How we keep you informed', 'Privacy' and 'Additional information' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'How We Keep You Informed', 'Privacy' and 'Additional Information' may change between the time when you read this PDS and the day when you sign the Application Form.

### Warning statement for New Zealand investors

New Zealand investors may invest in the Fund under this PDS. However, the Fund is governed under the Australian, rather than New Zealand law, and New Zealand investors should consider the differences in regulation between Australia and New Zealand before deciding whether to invest in the Fund.

You should read the important information about 'Investment by New Zealand investors' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au](http://www.spheria.com.au). The material relating to 'Investment by New Zealand investors' and may change between the time when you read this PDS and the day when you sign the Application Form.