

# Spheria Australian Smaller Companies Fund

ARSN 117 083 762, APIR WHT0008AU, ISIN AU60WHT00089, mFund SPM02

## Product Disclosure Statement

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Issued by: Pinnacle Fund Services Limited

ABN 29 082 494 362 AFSL 238 371

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## Important information

This Product Disclosure Statement ('PDS') provides a summary of significant information you need to make a decision about the Spheria Australian Smaller Companies Fund (the 'Fund'). It includes references to other important information which is in the Additional Information to the PDS and forms part of this PDS. The important information in the Additional Information to the PDS should be considered together with the PDS before making a decision to invest in the Fund. You can access the PDS and the Additional Information to the PDS on the internet at [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/) or call 1300 010 311 for a copy.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

The investment offered in this PDS is available only to persons receiving this 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' (defined in the Regulation S of the US Securities Act 1933, as amended).

## Updated information

The information in this PDS may change over time. Pinnacle Fund Services Limited 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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). 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.

## Section 1: About Pinnacle Fund Services Limited

### Pinnacle Fund Services Limited

Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371 ('Responsible Entity', 'we', 'our', 'us') is the responsible entity of the Fund. Pinnacle Fund Services Limited is wholly owned by Pinnacle Investment Management Limited ABN 66 109 659 109 ('Pinnacle'). Pinnacle supports the development of high quality investment management businesses and is the distributor of the Fund.

### Spheria Asset Management Pty Limited

We have appointed Spheria Asset Management Pty Limited ACN 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 (AFSL 322140).

Spheria is a fundamental based investment manager with a bottom-up focus, specialising in small and microcap 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 their intrinsic value, subject to certain risk criteria.

Neither the Responsible Entity nor the Investment Manager 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.

## Section 2: How the Spheria Australian Smaller Companies Fund works

**How does the Fund operate?** 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 are attached to all such units.

We will quote you a price for each unit and will keep a record of the number of units you have bought. The unit price is usually calculated at the end of each business day. Generally, the unit price will change in response to rises and falls in the market value of assets in the Fund.

**Applications** 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.

You can also invest in the Fund by using the managed funds settlement service operated by the ASX ('mFund'). Further information on mFund and applications can be found in Section 8 'How to apply'.

<b>Minimum Investments</b>	Minimum initial investment <sup>^</sup>	\$25,000	<sup>^</sup> Or less at the discretion of the Responsible Entity. Does not apply to IDPS investments.
	Minimum additional investment amount <sup>^</sup>	\$5,000	
	Minimum withdrawal amount <sup>^</sup>	\$5,000	
	Minimum investment balance <sup>^</sup>	\$5,000	

**Unit Price** The entry price is calculated by taking the net asset value of the Fund 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.

The exit price of the Fund is calculated by taking the net asset value of the Fund 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.

Current unit prices for the Fund are available on Spheria's website, [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/) or by contacting us on 1300 010 311 or by emailing [invest@pinnacleinvestment.com](mailto:invest@pinnacleinvestment.com).

**Withdrawal** You can decrease your investment by withdrawing 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. As part of the withdrawal proceeds, unit holders will receive their share of any net income of the Fund for the period of time during which their units were on issue in the relevant distribution period. These proceeds are included in the unit price and treated as capital. Unit holders will also receive their share of the capital value of the Fund corresponding to the units on withdrawal. 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.

Direct withdrawal requests can be made daily, and must be received by the Fund Administrator, RBC Investor Services Trust, prior to 12:00pm (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.

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.

If you are using mFund, you can withdraw units in the Fund in a similar way as you sell listed shares via your mFund broker. Further information on mFund and redemptions can be found in Section 8 'How to apply'.

**NAV** 'Net Asset Value' or 'NAV' means the total value of the Fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund.

Current NAV per unit of the Fund is available on the Spheria website, [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/) or by contacting us on 1300 010 311 or by emailing [invest@pinnacleinvestment.com](mailto:invest@pinnacleinvestment.com).

**Access to funds** 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 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.

**Unit pricing policy** The Responsible Entity has a policy for unit pricing discretions it uses in relation to the Fund ('Unit Pricing Policy') for the purpose of Corporations (Managed investment product consideration) Instrument 2015/847. Additional documents may be prepared for this purpose from time to time. This document may be revised or updated to reflect changes in the Fund constitution or the pricing policies of the Responsible Entity. The Unit Pricing Policy and discretions exercised by the Responsible Entity are available from us free of charge upon request.

**Distributions** Half yearly, subject to the Fund having sufficient distributable income as at 30 June and 31 December. The net distributable income of the Fund is allocated to unit holders 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 half yearly, at 30 June and 31 December and is generally sent to unit holders 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.

$$\text{Your distribution} = \frac{\text{The Fund's distributable income}}{\text{Total number of units on issue}} \times \text{The number of units you hold}$$

Distributions will be reinvested for additional units in the Fund unless otherwise instructed.

**Indirect Investors** Investors and prospective investors may access the Fund indirectly. This PDS has been authorised for use by operators through an Investor Directed Portfolio Service ('IDPS') or master trust. Such indirect investors do not acquire the rights of a unit holder 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 distributions or reports directly from us, do not have the right to attend meetings of unit holders and do not have cooling-off rights. Indirect investors should not complete the Fund's Application Form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should be made directly to the IDPS operator or the trustee of the master trust.

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

## Section 3: Benefits of investing in the Spheria Australian Smaller Companies Fund

### Significant Features

The objective of the Fund is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term by investing predominantly in listed companies which are outside the top 100 ASX listed companies by market capitalisation and companies listed on the New Zealand Stock Exchange with an equivalent market capitalisation. Further details of the Fund's investment strategy are set out later in this PDS in Section 5 – 'How we invest your money'.

## Significant Benefits

Investing in the Fund offers investors a range of benefits:

- (a) Focus on quality businesses and active investment management – Spheria is a fundamental based investment manager with a bottom-up focus.
- (b) Team experience – the investment team of Spheria has over 40 years' experience investing in equities.
- (c) Potential for higher growth – smaller 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.
- (d) Open-minded, holistic thinking – Spheria assesses stocks with a broader view, noting that global parallels are important in a technologically evolving environment.
- (e) Risk aware – risk is central to Spheria's thinking around portfolio construction and investment not merely an after-thought.

## Section 4: Risks of managed investment schemes

**All investments carry risk.** Different strategies may carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments and the level of returns will vary. Future returns may differ from past returns. Returns are not guaranteed, and you may lose some of your money.

The significant risks for the Fund are:

- (a) market risk – market risk broadly refers to the potential for changes in share prices to result in a loss in the value of your investment in the Fund. The Fund primarily invests in listed entities and as a result is exposed to the movements in the share prices. Factors that drive changes in share prices may include changing profitability of companies and the sectors and markets in which they operate, investor demand levels, economic cycles, share issues, business confidence and government and central bank policies;
- (b) performance risk – the Fund may fail to perform as expected in which case the Fund's investment objective may not be achieved;
- (c) Investment Manager strategy risk – if the Investment Manager's investment strategy is not successful it may result in the underperformance of the Fund, either in absolute terms, or relative to the market, its peers or both. Also, there is a risk that the Investment Manager fails to implement the investment strategy successfully, does not perform as expected or its key staff leave;
- (d) company specific risk – when a security in a company is purchased, the Fund will be exposed to many of the risks to which the individual company is itself exposed. These risks may impact the value of a security in the company. They include such factors as changes in management, actions of competitors and regulators, changes in technology and market trends;
- (e) currency risk – investing in assets denominated in a currency other than the Fund's base or reporting currency may cause losses resulting from exchange rate fluctuations;
- (f) derivative risk – the Fund may use derivatives to manage risk. Changes in the value of derivatives may occur due to a range of factors that include rises or falls in the value of a derivative in line with movements in the value of the underlying asset, potential illiquidity of the derivative and counterparty credit risk;
- (g) liquidity risk – whilst the Fund is exposed to listed entities which are generally considered liquid investments, under extreme market conditions there is a risk that investments cannot be readily converted into cash or at an appropriate price. In these circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations within required timeframes, including payment of withdrawals, or it may be required to sell assets at a substantial loss in order to do so; and
- (h) counterparty risk – this is the risk that any of the counterparties which the Fund deals with may default on their obligations to pay monies or deliver securities to the Fund. This may result in a loss.

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

- the value of your investment will go up and down;
- investment returns will 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 in a managed investment scheme may change over time.

You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.

## Section 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 risk and your investment timeframe.

<b>Investment return objective</b>	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.
<b>Benchmark</b>	S&P/ASX Small Ordinaries Accumulation Index

<b>Portfolio allocation</b>	<b>Asset Class</b>	<b>Allocation range</b>
	Australian and New Zealand equities*	80-100%
	Cash	0-20%
*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. The Fund may also use derivatives to manage currency risks. The Fund will not use derivatives for gearing purposes.		
<b>Stock numbers</b>	Generally 20 to 65 securities	
<b>Suitable investor profile</b>	Investors should be comfortable with some volatility and the possibility of negative returns.	
<b>Risk level</b>	High. This means there is a high risk of losing money in any year. Conversely, the Fund is likely to produce higher returns over the long term.	
<b>Suggested investment timeframe</b>	5 years or more	
<b>Borrowings</b>	Whilst the Fund is not restricted in its borrowing levels, the Responsible Entity does not intend to borrow on behalf of the Fund.	

### Labour standards or environmental, social or ethical considerations

Spheria applies environmental, social (including labour standards) and corporate governance ('ESG') considerations when selecting, retaining or realising investments in the Fund. However, it does not apply any specific methodology to measure individual companies with respect to their ESG standing. In reviewing a company, it may 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 avoid or divest.

You should read the important information about 'How we invest your money' before making a decision. Go to 'Additional Information to the PDS' located at [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). 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.

### Change to Fund details

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 the Spheria website, [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/) or as otherwise required by law.

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

## Section 6: Fees and costs

### Consumer advisory warning

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your 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 contribution fees and management costs where applicable. Ask the fund or your financial adviser.

#### TO FIND OUT MORE

To find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission ('ASIC')** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator which can be used to calculate the effect of fees and costs on account balances.

### What are the fees and costs of the Fund?

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment. You should use this information to compare this product with other simple managed investment schemes.

Type of fee or cost	Amount	How and When Paid
Fees when your money moves in or out of the Fund		
Establishment fee	Nil	Not applicable
Contribution fee	Nil	Not applicable
Withdrawal fee	Nil	Not applicable
Exit fee	Nil	Not applicable



**Management costs**

The fees and costs for managing your investment

**Management fee**

1.10% p.a.<sup>1</sup>

**Performance fee**

20% of the Fund's excess return versus its benchmark, net of the management fee.<sup>1,2</sup>

The management fee is payable to the Investment Manager for managing the investments of the Fund. The management fee is calculated on the Fund's net asset value, reflected in the daily unit price and payable monthly in arrears from the Fund

The performance fee is calculated and accrued each business day and is payable half-yearly, if applicable.

<sup>1</sup>The fees are inclusive of GST and the net effect of any applicable reduced input tax credits ('RITC').

<sup>2</sup> The Fund's benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

You should use this information to compare this product with other simple managed investment schemes.

**Buy/Sell spread**

The buy/sell spread is an additional cost but, as it is included in the unit price of the Fund, it is not charged to you separately. The buy/sell spread is the difference between the entry price and the exit price of the units in the Fund. The buy/sell spread is determined by the Responsible Entity to take into account the costs incurred when buying and selling the underlying securities in the Fund such as brokerage and stamp duty (if applicable). As at the date of this PDS, the estimated buy/sell spread added on buying or deducted on selling is 0.30% of the unit price. The following example is based on an application or redemption of \$25,000 in or from the Fund at a unit price of \$1.00.

	Buy/Sell spread	Cost
Application	0.30%	\$75
Redemption	0.30%	\$75

From time to time, we may vary the buy/sell spread. Any revised spread will be applied uniformly to transacting investors while that spread applies.

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.

**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

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

The following table gives an example of how the fees and costs applicable to units in 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	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management costs	1.10% p.a. management fee plus estimated performance fee of 0% <sup>1</sup>	For every \$50,000 you have in the Fund you will be charged \$550 (comprising \$550 management fee and estimated performance fee of \$0 <sup>1</sup> ) each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$550 (comprising \$550 management fee and estimated performance fee of \$0 <sup>1</sup> ). <sup>2</sup>
		<b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

<sup>1</sup> The example includes the performance fee estimate of 0%, which is calculated as the actual performance fee for the financial year ended 30 June 2017 as a percentage of total average net assets. Performance fees vary from year to year according to the Fund's actual performance and can be zero in any financial year. Past performance is not a reliable indicator of future performance. In particular, the performance fee payable (if any) will depend on the performance of the Fund and previous performance fees may not be a reliable indicator of future performance fees of the Fund.

<sup>2</sup> This example assumes the \$5,000 contribution occurs at the end of the year and therefore management costs are calculated using the \$50,000 balance only. The additional management costs would be \$55 if you had invested the \$5,000 for the full 12 months. 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).

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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). 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 is likely to have tax consequences. You are strongly advised to seek professional tax advice.**

The taxation implications from an investment in the Fund can be quite 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 as a long-term investment or for short-term trading purposes. The following is a brief summary of taxation information relating to Australian tax residents who hold their Fund units on capital account for income tax purposes:

- Registered managed investment schemes do not normally pay the tax liability on behalf of Australian resident investors (except in very limited circumstances, such as for investors under a legal disability – for example, where they are under 18 years of age).
- As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Fund. In normal circumstances, you should expect that some income and/or capital gains will be generated 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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). 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

You may apply for units in the Fund via your broker through mFund. Refer to information about "mFund" below for further details. To apply for units in the Fund directly, please read this PDS together with the Additional Information to the PDS, then complete the Application Form available at [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/).

Direct applications received, verified and accepted by the Fund Administrator prior to 12:00pm (Sydney time) on a business day will generally be processed using the unit price for that day. For applications accepted after 12:00pm (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.

### 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 to confirm that the investment meets your needs. 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.

A cooling-off period does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined under the Corporations Act), or where units have been issued as a result of an additional investment, switch or income distribution reinvestment plan.

### Complaints

We have a complaints handling policy, and aim to resolve all complaints quickly and fairly. If you have a complaint about your investment, please contact us on:

Complaints Resolution Officer  
Pinnacle Fund Services Limited  
PO Box R1313, Royal Exchange NSW 1225  
Email: [teamcompliance@pinnacleinvestment.com.au](mailto:teamcompliance@pinnacleinvestment.com.au) | Tel: 1300 360 306

All complaints received will be acknowledged in writing. We will act in good faith to ensure your complaint is investigated and resolved. If the issue has not been resolved within 45 days, you may be entitled to refer your complaint to the Financial Ombudsman Service Limited. They will be able to advise you whether they can assist you in this matter. Please quote the Responsible Entity's membership number to them which is 10252.

The contact details for the Financial Ombudsman Service are:

Financial Ombudsman Service Limited  
GPO Box 3, Melbourne VIC 3001  
T 1800 367 287 F 03 9613 6399  
[info@fos.org.au](mailto:info@fos.org.au) | [www.fos.org.au](http://www.fos.org.au)

The Financial Ombudsman Service Limited is an independent body whose decisions are binding on the Responsible Entity.

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

FATCA was enacted by the United States (U.S.) Congress to improve compliance with U.S. tax laws by imposing due diligence and reporting obligations on foreign financial institutions, notably the obligation to report U.S. citizen or U.S. tax-resident account holders to the U.S. Internal Revenue Service ('IRS').

Similar to FATCA, CRS is a single global standard for the collection and reporting to tax authorities of information by financial institutions on non-residents of the particular participating country. Accordingly, we may request certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or

CRS obligations. In the event that the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity acting on behalf of the Fund will be required to compensate you for any such tax, except in exceptional circumstances.

## mFund

The Fund has been admitted to mFund, the managed fund settlement service operated by the ASX, providing a convenient way for investors to apply or redeem units in the Fund, via an approved broker. 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. This is different to a listed fund, where the market decides the price of the units. mFund does not facilitate on-market buying and selling between investors. Your unitholdings will be CHESS sponsored by your broker and identified through your individual Holder Identification Number (HIN). See [www.mfund.com.au](http://www.mfund.com.au) for additional information.

## 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 lodgement 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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/) and the mFund website [www.mfund.com.au](http://www.mfund.com.au).

### Consents

Spheria Asset Management Pty Limited and RBC Investor Services Trust have consented to being named in this PDS in the form and context in which they are named. In particular, Spheria Asset Management Pty Limited has also consented to the inclusion of statements about its position in relation to labour standards and environmental, social and ethical considerations when making investment decisions as contained in section 5 of this PDS and the statements about its investment philosophy included in section 2 of the Additional Information to the PDS. Spheria Asset Management Pty Limited has 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.

RBC Investor Services Trust has been appointed as the Custodian and Fund Administrator for the Fund. RBC Investor Services Trust's role as Custodian is limited to holding assets of the Fund. As Fund Administrator, RBC Investor Services Trust is responsible for the day to day administration of the Fund.

RBC Investor Services Trust has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to you for any act done or omission made in accordance with the Custody and Investment Administration Agreements. RBC Investor Services Trust was not involved in preparing, nor takes any responsibility for, this PDS and makes no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

### 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.

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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). 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/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/). The material relating to 'Investment by New Zealand investors' may change between the time when you read this PDS and the day when you sign the Application Form.

### Contact

If you have a query in relation to your investment in the Fund, please contact us at:

Telephone: 1300 010 311  
 Email: [invest@pinnacleinvestment.com](mailto:invest@pinnacleinvestment.com)  
 Address: PO Box R1313, ROYAL EXCHANGE NSW 1225 Australia  
 Website: [www.spheria.com.au/smallercompanies-fund/](http://www.spheria.com.au/smallercompanies-fund/)