

SGH Additional Information Booklet



SG HISCOCK & COMPANY

Issue date: 11 October 2023

sghiscock.com.au

About this Additional Information Booklet

This Additional Information Booklet dated 11 October 2023 has been prepared and issued by Melbourne Securities Corporation Limited ('MSC Trustees', 'Trustee' or 'Responsible Entity'). The information in this document forms part of the Product Disclosure Statement ('PDS') for the following Funds, each a ('Fund').

- SGH Australian Small Companies Fund) dated 11 October 2023
- SGH Ex-20 Australian Equities Fund (Class A) dated 11 October 2023
- SGH Ex-20 Australian Equities Fund (Class P) dated 11 October 2023

The information provided in this Additional Information Booklet is for general information only and does not take into account your individual objectives, financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances.

Updated information

Information in the PDS and this information booklet is subject to change. Before making an investment in a Fund, you should ensure that you have read the PDS and Additional Information Booklet (AIB) current as at the date of your investment.

You can request a copy of the PDS and this booklet by visiting www.sghiscock.com.au or by calling Apex Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888 (from overseas). A paper copy of the updated information will also be provided free of charge on request.

Contents

1. How the Funds Work.....page 2
2. Risks of Managed Investment Schemes.....page 6
3. Fees & Costs.....page 6
4. How Managed Investment Schemes are taxed in Australia.....page 8
5. Other information.....page 9

Fund Manager

SG Hiscock & Company Limited
ABN 51 097 263 628
AFSL 240679
Phone: 1300 555 511 or
+61 3 9612 4600
Email: enquiries@sghiscock.com.au
Website: www.sghiscock.com.au

Administrator

Apex Fund Services Pty Ltd
ABN 81 118 902 891
GPO Box 4968, Sydney, NSW, 2001
Phone: 1300 133 451 or
+61 2 8259 8888
Email: SGHinvestorservices@apexgroup.com
Website: www.apexgroup.com

Responsible Entity

Melbourne Securities Corporation Limited
ACN 160 326 545
AFSL 428289
Level 2, 395 Collins Street, Melbourne, VIC
3000, Australia
Phone: 1300 798 790
Website: www.msc.group

Important Information

This information forms part of the Product Disclosure Statement (PDS) issued by Melbourne Securities Corporation Limited ("MSC Trustees" or "Responsible Entity") for each Fund listed on the page below of this Additional Information Booklet. You should read this booklet together with the

relevant PDS before making a decision to invest in a Fund. Certain sections of this booklet may not apply to all Funds.

The PDS for each Fund can be viewed or downloaded at: <https://www.sghiscock.com.au>. Alternatively, you can request a copy be sent to you by contacting Apex Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888.

Contact us

If you have any questions or would like more information about the Funds, please visit www.sghiscock.com.au or contact:

Apex Fund Services Pty Ltd

GPO Box 4968

Sydney NSW 2001

Registry phone: 1300 133 451 / +61 2 8259 8888

Registry email: SGHinvestors@apexgroup.com

Fax +61 2 9251 3525

Investors in the Fund through mFund:

mFund.com.au



This is important information you should consider before making a decision to invest in the Fund.

The information in each PDS and this document is general information only and does not take into account your personal financial objectives, situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

Investments in a Fund can only be made by someone receiving a PDS (including an electronic version) in Australia. If you are in possession of a PDS outside Australia, you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.

The Fund Manager and the Responsible Entity and any other entity, do not guarantee the repayment of capital or any rate of return on income or capital or the investment performance of the Fund.

Terms used in this document have the same meaning as set out in the PDS of each Fund.

The Target Market Determination (TMD) for the Fund can be found at www.sghiscock.com.au and includes a description of who the product is suitable for.

The Funds

Fund	ARSN	APIR	Offered for Sale ¹	mFund code	Date of PDS
SGH Australian Small Companies Fund	095866872	CSA0131AU	Australia	SFZ20	11 October 2023
SGH Ex-20 Australian Equities Fund (Class A) ¹	088905426	CRS0003AU	Australia	SFZ19	11 October 2023
SGH Ex-20 Australian Equities Fund (Class p) ¹	088905426	EQI5000AU	Australia	n/a	11 October 2023

¹ This Fund currently has more than one class of units on issue. All rights and entitlements of a unit in a class in the Fund relate to the assets, liabilities and other amounts referable to the relevant class of units. Where the context requires, including for example in relation to the calculation of unit prices and fees and costs, a reference to the Fund, refers to the relevant class of units in the Fund. We may in the future create and issue different classes of units in the Fund, in which case we will notify unitholders and must treat unitholders in the

in different classes fairly.

1. How the Funds work

mFund Settlement Service

Funds admitted as mFund products under the ASX Operating Rules are identified in the table on page 2.

The mFund Settlement Service ('mFund') enables investors to buy and sell units in selected unlisted managed funds directly with the fund issuer through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

mFund uses CHESS to automate and track the process of applying for and withdrawing units in managed funds.

Your holdings in these funds are held electronically and can be linked to the same Holder Identification Number (HIN) used to hold other investments transacted through ASX, such as shares.

While a Fund is admitted as an mFund product under the ASX Operating Rules, individuals and superannuation funds only (or as otherwise advised)² will be able to buy and sell units in a Fund through mFund. Only investors applying for units in Class A can invest via mFund.

Investors through mFund should read the PDS for the relevant fund, which can be viewed or downloaded at www.sghiscock.com.au or at www.mfund.com.au.

Fund valuation

All units in a Class have equal value.

A Fund is normally valued as at the end of each Business Day. Valuations are based on the market value of assets in a Fund and this forms the basis for calculating the application and withdrawal prices. For example, for valuation purposes, this means that if the security is regularly traded on a licensed financial market, such as a listed securities exchange, the value of the security will generally be the last traded price prior to valuation or close of the relevant market, whichever is the later.

Where assets are not regularly traded on a licensed financial market, our policy is to source appropriate independent valuation, such as from an independent pricing provider, or dealers or issuers.

Unit prices

Unit prices are generally calculated each Business Day, based on the Fund's net asset value for that day and divided by the number of units on issue. Please visit www.sghiscock.com.au to obtain the latest available application and withdrawal unit prices for each Fund.

The Funds operate on a forward pricing model. This means that applications to invest or withdraw are processed using unit prices calculated and published after the application has been received. The unit price for a particular Business Day is generally available the next Business Day. This means that if your application to invest or withdraw is received today, before the cut off time, the unit price applicable to your investment will be based on the net asset value as at the close of business today, which will generally be available the next Business Day.

For Funds admitted as an mFund product, unitholders will be able to view the current price of units at any time at mFund.com.au.

The mFund service is not a trading facility and investors will not trade units with other investors on the market.

Who can invest in the Fund

The offer made in each PDS is available to persons over 18 receiving the PDS within Australia (for Funds indicated in the table on page 2). Units in a Fund cannot be offered or sold within the United States (US) or offered or sold to, or for the

²Under certain circumstances, investors other than individuals and superannuation funds may be able to invest in the Fund through mFund. Please contact your licensed broker for further information.

account or benefit of, any 'US Person' as defined in Regulation S of the US Securities Act 1933. In very limited circumstances and at our discretion, persons in other jurisdictions who meet applicable local regulatory requirements may be able to invest in a Fund.

Investment in Class P of a Fund (where available) is reserved for wholesale investors for the purposes of the Corporations Act with whom separate arrangements have been agreed in accordance with the Corporations Act, such as platforms, institutional investors, and other funds.

In accordance with the Corporations Act, a Target Market Determination (TMD) for each Fund has been agreed which describes the retail clients (target market) for whom the Fund is likely to be suitable, and reasonable steps must be taken to ensure each Fund is distributed in line with its TMD. The TMDs can be found at www.sghiscock.com.au. At MSC Trustees' discretion, a direct retail investor that is determined to be outside the target market for the Fund will not be able to invest.

Investing through an IDPS Provider

Investing through an IDPS Provider may result in you becoming an indirect investor and not a unitholder in a Fund. If so, you do not acquire the rights of a unitholder and the IDPS Provider acquires the rights of the unitholder and can exercise, or decline to exercise, them on your behalf. You should consult with the IDPS Provider to ascertain whether you will be an indirect investor.

As an indirect investor you do not receive distributions or reports directly from us or directly participate in meetings and can only withdraw depending upon the withdrawal times allowed by the IDPS Provider. Your rights as an indirect investor should be set out in the disclosure documents issued by the IDPS Provider.

You may wish to seek appropriate tax advice before becoming an indirect investor.

Investing through mFund

Your ASX broker will process a buy order for units through CHESS. CHESS will confirm the order with your ASX broker once received and accepted by us. Applications for units received and accepted by us will be forwarded by CHESS to your ASX broker for your payment to be passed through the CHESS daily batch settlement process.

We will price and allot new units in the Fund to your CHESS Holder Identification Number (HIN). CHESS will notify your ASX broker of the unit price and units allotted.

BPAY®

BPAY is available as a method of payment in the online banking portals of most Australian banks and financial institutions. We recommend that you contact your bank or financial institution to confirm that you can use BPAY to make a payment from your account, or if you are unable to locate BPAY in your online banking portal.

To facilitate the use of this service you will need to use your online banking service from your participating Australian financial institution.

You will be given your Customer Reference Number (CRN) when making an Online Application or after your initial application to allow you to make additional investments by using BPAY. Please take note that the BPAY facility is only available to:

- new Investors making an Online application or
- existing investors.

When making the payment via BPAY®, you do not need to complete an Additional Investment Form. Please take note that the Biller Code is different for each fund.

You can obtain further information about your CRN from your managed fund online portal and the Fund Biller Codes by contacting SGH Investor Services directly on 1300 133 451 (Australia) or +61 2 8259 8888.

Anti-Money Laundering and Counter-Terrorism Financing laws

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (Cth) (AML/CTF Laws) regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Laws is administered by the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Applications for units in the Fund may be subject to AML/CTF Laws. In order to comply with AML/CTF Laws, the Responsible Entity and the Fund Manager may need to:

1. verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
2. where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years or as required under relevant legislation.

The Responsible Entity and the Fund Manager reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment before applications can be processed.

The Responsible Entity or the Fund Manager may also suspend the payment of redemption proceeds or decline to register the transfer of units, failing satisfactory verification and if necessary to comply with AML/CTF Laws applicable to them.

From time to time, MSC Trustees or SGH may take various actions believed necessary to comply with these laws and relevant internal policies, including requiring additional information from you, and even delaying, blocking, freezing or not processing a transaction. MSC Trustees or SGH may be required to report information about you to the relevant authorities, and are under no obligation to tell you when this occurs. Such actions may impact on your investment and could result in a loss of income and principal invested. The Fund Manager or Responsible Entity shall not be liable for any loss (including consequential loss) resulting from any such actions.

Appointed representatives

Investors may elect to appoint a representative to operate their account (by completing section 6 of the Application Form). If a company is appointed, any director or authorised officer of the company may operate the account.

If a partnership is appointed, any partner may operate the account.

Such appointments last until written notice of cancellation is received. You are responsible for anything your representative does on your behalf, and the representative will be able to do everything with the investment that you can do, except delegate authority to another third party, change bank account details or change your personal details (including your name or date of birth).

If you appoint a representative, it is suggested that you ensure that they cannot appoint another representative.

Please note that in accordance with Anti-Money Laundering and Counter-Terrorism Financing laws, MSC Trustees and SGH are

required to collect certain information about each investor. This includes collecting information on any appointed representative, and/or any person you appoint as a Power of Attorney. They will be required to complete an Identification Form and provide the necessary supporting documentation to verify their identity. Where a Power of Attorney is appointed, you will need to provide us with an originally certified copy of the Power of Attorney for that person.

By appointing a representative, you release, discharge and agree to indemnify The Responsible Entity and each of its agents (which may differ by Fund) including the registrar, administrator and custodian from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from us, or any of our agents acting on the instructions of your appointed representative.

You also agree that any instructions of your appointed representative to us or any of our agents which are followed by us or any of our agents, shall be a complete satisfaction of our or any of our agents' obligations, notwithstanding any fact or circumstances, including that the instructions were made without your knowledge or authority. You agree that if the appointed representative's instructions are followed by us or any of our agents, you and any person claiming through or under you shall have no claim against us or any of our agents in relation to those instructions.

mFund investors should initially contact their broker to update authorised representative records on their behalf.

Processing of applications and additional investments

If your correctly completed Application Form or additional investment request is received and accepted by us by 2pm (Sydney time) on any Business Day, your request will be processed using the application price for (and you will be a unitholder in a Fund on) that Business Day (subject to the receipt of funds by electronic transfer by 9am the following Business Day).

If your correctly completed Application Form or additional investment request is received and accepted by us after 2pm (Sydney time) on any Business Day, your investment will be processed using the application price for (and you will be a unitholder in a Fund on) the next Business Day (subject to the receipt of funds by electronic transfer by 9am the following Business Day).

SGH reserve the right to accept or reject all or part of an application at MSC Trustees' discretion and delay processing of applications where it is believed to be in the best interest of all unitholders in a Fund.

Processing of withdrawal requests

You can decrease your units by making a withdrawal from a Fund. In some circumstances, such as when there is a freeze on withdrawals, unitholders may not always be able to withdraw their funds within the usual period on request.

Withdrawal forms can be downloaded from www.sghiscock.com.au or by contacting enquiries@sghiscock.com.au.

You can make a withdrawal from a Fund by sending or faxing a completed and signed Withdrawal Form or emailing a written signed request stating:

- your unitholder account number/code;
- the name of the Fund from which you are withdrawing; and
- how many units (or the value of your investment that) you wish to withdraw (subject to minimum balance requirements).

If you hold the investment in joint names, generally, both/all investors need to execute the withdrawal request.

A withdrawal payment will not be made to any third party. Valid withdrawal requests received and accepted by us by 2pm (Sydney time) on any Business Day will be processed at the withdrawal price calculated for that Business Day (and you will not be a unitholder in a Fund if you withdraw your entire holding in the Fund on that Business Day).

Valid withdrawal requests received after 2pm (Sydney time) on any Business Day will be deemed to have been received and accepted by us on the next Business Day and will be processed at the withdrawal price for that Business Day (and you will not be a unitholder in a Fund if you withdraw your entire holding in the Fund on the next Business Day).

Please email, post or fax withdrawal requests to:

**Apex Fund Services Pty Ltd GPO Box 4968,
Sydney NSW 2001
Fax +61 2 9251 3525
Email: SGHInvestorservices@apexgroup.com**

Withdrawing through mFund

If a Fund is admitted as an mFund product, mFund investors can withdraw from a Fund by lodging a request with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Your ASX broker will direct the withdrawal request to us through CHESS. Applications for withdrawals received and accepted by us will be forwarded by CHESS to your ASX broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESS daily batch settlement process, the units will be cancelled and your HIN will be updated.

Transfers

With our consent and subject to minimum balance requirements as detailed in section 2 of the PDS you may transfer your units to another party by providing us with a completed and signed transfer form (marked that applicable duty has been paid or is not payable).

If the transferee is a new investor then the transferee must also complete an Application Form and Identification Form (if applicable). All transfers are subject to the transferee being eligible to hold units in a Fund.

A transfer of units involves a disposal of units, which may have tax implications. You should obtain legal and tax advice before requesting a transfer.

Please email, post or fax transfer requests to:

**Apex Fund Services Pty Ltd GPO Box 4968,
Sydney NSW 2001
Fax +61 2 9251 3525
Email: SGHInvestorservices@apexgroup.com**

If you are an investor through mFund, please contact our Apex Fund Services to discuss your options.

Distributions

Generally, it is our policy to fully distribute the net income of a Fund to investors every year. The components of the distributions you receive depend upon the distributable income available and how many units you hold as at a Distribution Record Date.

The Distribution Record Date is the last Business Day of each distribution period.

An investor must be registered as a unitholder in a Fund on a Distribution Record Date in order to receive the Fund's distributable income, if any.

If your application is received and accepted by us before 2pm (Sydney time) on the Distribution Record Date, you will be a unitholder on the Distribution Record Date and entitled to any distributions which may be payable.

Accordingly, if you invest just before the Distribution Record Date, the unit price may already include income that you would be entitled to receive at the Distribution Record Date. Consequently, by investing just before the Distribution Record Date, you may have some of your capital returned to you as income.

If you submit a full withdrawal request and such a request is received and accepted by us before 2pm (Sydney time) on the Distribution Record Date, you will generally not be a unitholder on the Distribution Record Date. Accordingly you will not be entitled to any distributions which may be payable.

Distributions reinvested into a Fund will be reinvested using the unit price calculated immediately after the distribution is determined on the last day of the distribution period. Reinvested distributions do not incur the buy spread.

After a distribution is paid the unit price usually falls by a similar amount as the distribution per unit.

How distributions are paid

You can choose to have your distributions:

- automatically reinvested in units in the Fund; or
- paid directly to your nominated Australian bank account

Payments will not be made to any third party.

The above could affect your taxation position so please seek professional tax advice.

You can change your distribution preference at any time. Please email, post or fax requests to change to:

**Apex Fund Services Pty Ltd GPO Box 4968,
Sydney NSW 2001
Fax +61 2 9251 3525 (Australia Investors)
Email: SGHInvestorservices@apexgroup.com**

Conditions for use of the email and facsimile transaction facility

Email and facsimile requests will be processed in the manner and within the timeframes specified in the PDS.

There is a risk that fraudulent email and facsimile requests may be made by a third party. You agree that none of the Responsible Entity or its officers, employees or agents are responsible for any fraudulently completed communications, or are required to compensate you for any losses arising from such communications.

You release and indemnify the Responsible Entity, its officers, employees and agents against any liabilities whatsoever arising from any of them acting on facsimile communications from, or purporting to be from, you.

You should also be aware that your email or facsimile instructions will be processed if they have been received by us in full. SGH or MSC Trustees are not responsible for any loss or delay which results from a facsimile transmission not being received (note – a facsimile receipt confirmation from the sender's facsimile machine is not evidence of receipt of the facsimile).

2. Risks of managed investment schemes

The following additional risks should be considered before choosing to invest:

- Business risk – includes the risks that arise from carrying on a complex business. The operation of a Fund requires The Responsible Entity and its service providers to implement sophisticated systems and procedures. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events. Procedures are in place to manage these risks, such as compliance systems and risk management processes.
- Legal and regulatory risk – a Fund may be adversely affected by future changes in applicable laws, including tax laws and regulations.
- Pandemic and other unforeseen event risk - Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.
- Reliance on the Manager and other service providers - the success of a Fund will depend in large part upon the skill and expertise of the Investment Manager and any service providers appointed in respect of a Fund. Performance of service providers will be monitored on a regular basis. Such appointments will be made on arm's length terms. Risks may also arise in relation to transactions processed via mFund if ASX settlement procedures have not been accurately relayed or processed.

3. Fees and Costs

Additional explanation of fees and costs

Management fees and costs

Management fees and costs comprise the management fee, recoverable expenses and indirect costs that you incur by investing in the Fund.

The management costs of each Fund are set out in the PDS for the relevant Fund under 'Fees and costs'.

Management fees and costs are not deducted directly from your Fund account. Instead, they are accrued daily within the unit price for the Fund and are deducted from the assets of the Fund. Management fees are generally paid to the Responsible Entity monthly in arrears.

Management fee

The management fee is paid to us from the assets of the Fund and comprises our remuneration for managing and overseeing the operations of the Fund. The management fee is calculated as a percentage of the Fund's NAV and is reflected in the Fund's unit price. It is accrued daily in the unit price and calculated and paid monthly in arrears from the Fund, prior to calculation and payment of distributions, on the last day of the month.

From the management fee all investment management fees, all normal operating expenses of the Fund including custody fees, audit fees, accounting fees, legal and regulatory fees and all

other normal costs except extraordinary expenses (as described under 'Recoverable Expenses' below) and transaction costs are paid.

Prior notice will be provided to investors if normal operating expenses will be recovered from the Fund in the future. The management fee includes Goods and Services Tax (GST) after taking into account any expected input tax credits. The amount of this fee can be negotiated.

Recoverable Expenses

The recoverable expenses represent the operating expenses incurred in the operation of the Fund. The Fund's Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

Normal operating expenses

As at the date of each Fund's PDS, any normal operating expenses that the Responsible Entity may recover from the Fund are paid out of the management fee and are not an additional charge to you. Prior notice to investors will be provided if normal operating expenses from the Fund will be recovered in the future.

Extraordinary expenses

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Such extraordinary expenses may be recovered from the assets of the Fund as an additional expense to the management fee where permitted under the Fund's constitution.

Abnormal and extraordinary expenses may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

Indirect Costs

In investing the assets of the Fund in accordance with its investment objective and strategy, the Fund can incur indirect costs. Indirect costs are any amounts that are known or reasonably ought to be known, or where this is not the case, reasonably estimate has or will reduce, whether directly or indirectly, the return of the Fund or the amount or value of the income of, or assets attributable to the Fund or an interposed vehicle in which the Fund invests other than the management fee and recoverable expenses. Indirect costs are not paid to us.

Indirect costs are reflected in the Fund's daily unit price, and can include any underlying (indirect) management fees and costs and performance related fees, and other indirect costs (including the cost of certain types of derivatives used for trading activity other than hedging, if applicable).

The indirect costs may vary from year to year, including to the extent that they rely on estimates. These amounts are not an indication or guarantee of the amount that may be charged in the future. From time to time, notification of non-material updates to the estimated indirect costs will be on our website at www.sghiscock.com.au

The indirect costs of each Fund are set out in the PDS for the relevant Fund under 'Fees and costs'.

Changing the fees

Fees may be increased or new fees introduced without unitholder consent. Investors will be provided with at least 30 days' advance notice of any increase to fees.

Reasons for increasing fees might include changing economic conditions or changes in regulations or to the Fund's Constitution.

Fees described in in the PDS may be waived or reduced for the relevant Fund without prior notice.

Transactional costs

The table below details the estimated net transactional costs (that are not recovered through the buy/sell spread) for each Fund for the year ended 30 June 2023 (except in the case of a newly established class of units in a Fund (as identified in the table below) where an estimate of the net transactional and operational costs for the current financial year is provided).³

In managing the assets of the Fund, the Fund may incur transactional and operational costs when assets are bought and sold, including brokerage, clearing and settlement costs, buy/sell spreads and applicable stamp duty. These costs, which are factored into the asset value of the Fund and reflected in the daily unit price, are recovered in part by the buy/sell spread on applications and withdrawals.

The Fund may also incur other transactional and operational costs through the day-to-day trading activity required to execute the Fund's investment strategy (and can include the cost of derivatives used for hedging purposes, if applicable). These costs, which are factored into the asset value of the Fund and also reflected in the daily unit price, are not recovered through the buy/sell spread charged to Authorised Participants and are therefore an additional implicit cost to unitholders in the Fund. These costs are not recovered through the buy/sell spread.

Transaction costs are paid out of the Fund's assets as and when incurred and are shown in the fees and costs summary net of any amount recovered by the Fund from the buy/sell spread. Transaction costs are not paid to us but are an additional implicit cost of investing in the Fund where transaction costs have not already been recovered by the buy/sell spread.

The actual transaction costs may differ and will vary based on a number of factors including the volume of transactions undertaken and market conditions generally. This means that estimated and/or historical costs may not be an accurate indicator of the transaction costs an investor may pay in the future.

Transactional and operational costs are not paid to the Responsible Entity or the Fund Manager.

Transaction costs should not be considered in isolation of investment returns. It is important to understand that actively managed investments are likely to have higher transaction costs than passively managed investments, such as index funds, because of the higher expected volume of trading of the Fund's assets in generating investment returns.

Transaction costs are dependent upon a number of factors and therefore may change from year to year. Transaction costs for future periods may be higher or lower than the transaction costs currently disclosed.

Fund	Total transactional & operational costs (%)	Minus: Buy/ sell spread recovery (%)	Equals: Net transactional & operational costs (%) ⁴
SGH Australian Small Companies Fund	0.03	0.23	0.00
SGH Ex-20 Australian Equities Fund (Class A)	0.05	0.18	0.00
SGH Ex-20 Australian Equities Fund (Class P)	0.05	0.18	0.00

Buy/sell spread

Buy/sell spreads are an amount representing the estimated costs arising from applications and withdrawals made by investors moving into and out of the Fund.

The buy spread is added to the unit price and represents the estimated cost incurred to convert application monies to investments.

The sell spread is deducted from the unit price and represents the estimated cost to convert investments to cash for withdrawal purposes.

Charging a buy/sell spread ensures that the cost of buying or selling the underlying assets is borne by those making the application or withdrawal, and not the remaining unitholders in the Fund. Buy/sell spreads are retained in the Fund, not paid to us.

Buy/sell spreads may be varied or waived without notice when it is appropriate to protect the interests of existing investors and if permitted by law.

Reinvested distributions do not incur the buy spread.

The table below details the buy/sell spread for each Fund as at the issue date of this Additional Information Booklet. Notification of the current buy/sell spread for each Fund is provided on our website at www.sghiscock.com.au

Buy/sell spreads may be varied or waived without notice when it is appropriate to protect the interests of existing investors and if permitted by law.

Fund	Buy spread on applications (%)	Sell spread on withdrawals (%)
SGH Australian Small Companies Fund	+0.30	-0.30
SGH Ex-20 Australian Equities Fund (Class A)	+0.25	-0.25
SGH Ex-20 Australian Equities Fund (Class P)	+0.25	-0.25

Indirect Cost Ratio

An Indirect Cost Ratio (ICR) is used to calculate the management cost of investing through a managed fund, compared with investing directly in the underlying assets of the Fund.

An ICR is calculated by dividing the management costs (but not transactional and operational costs) by the Fund's total average net assets over a financial year and expressing the figure as a percentage of the average net asset value of the Fund.

The table below details the ICR for each Fund for the year ended 30 June 2023 (except in the case of a newly established class of units in a Fund (as identified in the table below) where an estimate of the ICR for the current financial year is provided).

Fund	Indirect Cost Ratio (%)
SGH Australian Small Companies Fund	1.26
SGH Ex-20 Australian Equities Fund (Class A)	0.95
SGH Ex-20 Australian Equities Fund (Class P)	0.48

³ Except as otherwise provided, the costs are presented as a percentage of the average fund size and are estimated based on the financial year ended 30 June 2023. These cost may vary from year to year.

⁴ If the net transactional and operational costs are zero, the buy/sell spread recovery exceeds the total transactional and operational costs. Any excess recovery is retained by the Fund, not paid to us.

Additional payments made by SGH

SGH may make payments to distributors of the Funds (such as master funds, IDPS Providers and dealer groups) for the administration and investment related services they provide. Such payments are in accordance with the Corporations Act and other regulatory requirements. They are paid directly by SGH out of its own resources. They are not an additional cost to you or the Fund.

4. How managed investment schemes are taxed in Australia

Australian income taxation information

The income taxation information below is of a general nature only and applies to Australian resident investors who hold their units on capital account (rather than revenue account).

Investors should obtain advice from professional tax advisers as tax consequences will vary depending on individual circumstances. Investors who invest in a Fund through an IDPS Provider and/or who are non-residents, should seek separate tax advice.

The Fund has elected to be an Attribution Managed Investment Trust ("AMIT") with effect from the income year commencing 1 July 2017.

Generally, it is our policy to fully attribute the taxable income of the Fund to investors every year. As a result, unitholders will be liable to pay income tax on their attributed share of the taxable income of the Fund and income tax should not generally be payable by the Fund.

The comments in this section are based on current taxation law. The tax law is frequently being changed, both prospectively and retrospectively.

Distributions

Broadly, under the AMIT regime, the income tax consequences for an investor are intended to be the same or similar to those that would occur if the investor had directly invested in the Fund's assets.

Each investor shall be taxed on their share of a Fund's taxable 'trust components' that are 'attributed' to them for a given income year, regardless of whether income and gains are accumulated, or distributed by payment or reinvestment as additional units. The amounts attributed to each investor (including the components of such amounts) and tax information relating to the cost base of the investor's units in the Fund, will be advised in an AMIT Member Annual Statement (AMMA Statement).

The income tax treatment for an investor will depend upon the components of attributed amounts, which may include assessable income character amounts (such as dividends, interest and capital gains) and tax offset character amounts (such as franking credits and foreign income tax offsets).

The cost base of an investor's units in a Fund are increased by attributed assessable income (including capital gains) and non-assessable non-exempt income, and decreased by actual payments (including reinvestment as additional units) and attributed tax offsets. The increases or decreases are offset, resulting in either a net cost base increase or decrease to the investor's units in a Fund for each year. If a reduction is greater than the investor's cost base, the excess will be taxable to the investor as a capital gain. Investors should ensure that they monitor and increase or decrease the cost base of their units in a Fund.

Fund not an AMIT

A Fund may not be an AMIT for a given income year (e.g. it does not qualify as a MIT for that year). The AMIT regime will not apply and the general trust provisions of the tax law will apply.

A Fund will be required to determine its net (taxable) income for the income year. Each unitholder will be assessed on that share of net income that accords to the proportion of the 'income of the trust' to which they are 'presently entitled' for that year, even if they receive or reinvest a distribution after year end. On the basis that unitholders are presently entitled to all of the trust income for that year, the Responsible Entity should not be assessed on the net (taxable) income of the Fund and it will be treated as a flow-through entity for income tax purposes.

In the case where a Fund incurs a revenue loss or net capital loss for Australian tax purposes, the Fund cannot distribute these tax losses to unitholders. However, the tax loss may be carried forward by the Fund and recouped against assessable income of the Fund in subsequent years, subject to the trust loss recoupment rules. This is also the case where a Fund is an AMIT.

Deemed Capital Gains Tax ('CGT') election

Eligible managed investment trusts ('MITs') may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives and foreign exchange contracts). All the Funds have made the election for deemed capital account treatment. As such, all Funds hold their eligible investments on capital account. This election is only available in income years in which the relevant Fund qualifies as an MIT.

Disposal of units

A withdrawal or transfer of units constitutes a disposal for tax purposes. The tax consequences of a disposal depend on the particular circumstances of each investor.

Certain Australian tax resident investors who hold units for more than 12 months may be entitled to a capital gains discount in relation to a capital gain arising on the disposal of their units.

The CGT discount is 50% (for individual and trust investors) and 33 ⅓ % (for complying superannuation entities) of the nominal gain and is applied after allowing for the offset of any capital losses. The discount is not available to companies.

Non-resident investors

We may be required to deduct withholding tax at the applicable tax rates from attributions of Australian sourced income (such as dividends and interest) and fund payments of other Australian sourced income.

Fund payments represent the sum of assessable income of the Fund for the income year (excluding certain amounts, such as dividends and interest from an Australian source; capital gains which are not 'Taxable Australian Property'; and foreign source income and capital gains and capital losses derived/incurred on the disposals of assets that are not Taxable Australian Property).

If a Fund derives foreign source income, non-resident investors should not be subject to Australian tax on any distribution of such income.

Australian CGT should not apply to non-resident investors (who have not used their units in a Fund at any time in carrying on a business through an Australian permanent establishment) in relation to their disposal of units in a Fund, unless the units in a Fund constitute Taxable Australian Property.

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

Investors are not required to provide a TFN or an ABN.

However, we may be required to deduct tax (at the highest marginal tax rate, including the Medicare Levy) on distributions to investors who do not provide a TFN, ABN or details of their exemption on their Application Form.

Common Reporting Standard (CRS)

The CRS is an OECD led framework to tackle and deter cross-border tax evasion. The CRS creates an international standard of due diligence and reporting rules for Financial Institutions including us to identify the accounts of foreign tax residents, and report certain information regarding the foreign tax resident account holder (and in the case of certain entities their controlling persons) to the ATO, which then shares that information with the tax authority in the foreign jurisdiction where the account holder is tax resident, where that jurisdiction has enacted the CRS into its domestic law. The information to be reported includes their name, address, jurisdiction of tax residence, Tax Identification Number and in respect of individuals their date of birth, account code, account balance or value, and the total gross income generated from the account for the relevant year.

New investors must self-certify their country or countries of tax residence. In respect of accounts opened by investors before 1 July 2017, we will carry out any additional due diligence procedures which are necessary to confirm an investor's tax residency, in line with the CRS and Australian domestic law.

Foreign Account Tax Compliance Act (FATCA)

FATCA is US legislation targeting US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (IRS). To enforce the provision of FATCA, the IRS imposes a 30% withholding tax on any foreign financial institution (FFI), including us, that does not comply with FATCA's requirements to identify and report on financial accounts held or controlled by certain US persons. The 30% withholding tax will apply to certain US source income and gross proceeds from the sale of property that can produce US source dividends or interest.

The Australian and US government have entered into an inter-governmental agreement (IGA) requiring Australian financial institutions, including us, to identify and report to the ATO on US reportable accounts (including accounts where insufficient information exists to disprove otherwise), and in turn the ATO will report these to the IRS.

We will collect additional information from you in order to establish whether or not your account is a US reportable account.

If you do not provide the required information, or if your account will be a US reportable account, we may not process your application. This will apply to any new investments with us, even if you already have other investments with us.

It is not anticipated that any Fund listed in this Additional Information Booklet will be obliged to withhold tax under FATCA. However, if an obligation to withhold arises, tax will be withheld from your returns from the Fund. Neither the Responsible Entity nor the Fund will compensate you for any tax withheld.

These rules should have no practical implications for individual unitholders who are Australian tax residents (who are not also US citizens) and provide sufficient information demonstrating their Australian tax residency.

Foreign Investments

Funds with foreign income (e.g. foreign dividends) may be subject to withholding tax in the country from which the income is derived. The Fund does not accrue for foreign withholding tax. In the event the Fund pays foreign tax, the distribution from the Fund may include a foreign income tax offset, which investors need to take into account in determining their taxable income. Amounts to be included in the investor's tax return will be notified in the tax statement for the income year. We recommend seeking independent tax advice.

The Fund's compliance with the assessment criteria and its investment guidelines is reviewed regularly (usually quarterly). If our review process identifies that an investment ceases to comply with the assessment criteria and /or investment guidelines, the investment will usually be sold as soon as is reasonably practicable (usually within three months), having regard to the interests of unitholders (but this may vary on a case by case basis).

Tax Reform

The tax information included in this booklet is based on the taxation legislation and administrative practice as at the issue date of this booklet, together with proposed changes to the taxation legislation as announced by the Government.

However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Funds and their investors. Accordingly, it will be necessary to closely monitor the progress of any announced these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in any Fund.

5. Other Information

Reports and statements

The following reports are made available to unitholders.

Reports	Frequency
Transaction statements	After each transaction (initial and Transaction statements additional investments, withdrawals and transfer of units)
Unitholder statements	Quarterly (31 March, 30 June, 30 September and 31 December)
Distribution statements	Following each distribution
Tax statements	Annually
Annual Financial reports	Annually

You can request a transaction statement at any time. Statements are sent by mail, email or through the investor portal as nominated by the unitholder. If you nominate

an email address in the Application Form, you agree that it may be used to deliver to you information about your investment (such as transaction confirmations, statements and reports) and disclosures and information about the Fund (such as any new PDS for the Fund). From time to time letters may still need to be sent in the post.

If you invest through an IDPS Provider, you should make enquiries directly with the IDPS Provider regarding the reports they provide.

Investing through mFund

If a Fund is admitted as an mFund product, you will receive or have access to the following information on our website, www.sghiscock.com.au and/or via the ASX website at www.mFund.com.au via their Market Announcement Platform on a periodic basis (or as necessary):

- The net asset value of the Fund on a quarterly basis;
- Information on any distributions declared or paid;
- Information on redemptions (the amount and value of units redeemed from the Fund on a monthly basis);
- Any material information that updates the Fund as part of our continuous disclosure obligations; and
- Any replacement PDS and Additional Information Booklet required or any other updated information relevant to the Fund under the Corporations Act.

ASX Settlement will periodically issue to you a CHESS holding statement summarising any movement of units through mFund.

The type of information you will receive or have access to may change in the future.

Financial reports

The audited annual financial report for each Fund will generally be available on our website at www.sghiscock.com.au by the end of September each year. The report will be issued in accordance with the Australian Accounting Standards, the Corporations Act and all other applicable professional reporting requirements. Where a Fund is a disclosing entity and subject to the regular financial reporting and continuous disclosure requirements of the Corporations Act, obligations will be satisfied by publishing all relevant material on our website at www.sghiscock.com.au.

A paper copy of any of these reports or material is available free of charge upon request to Apex Fund Services. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

Compliance plan

A compliance plan for each Fund has been prepared and lodged with ASIC. The plan describes our procedures to comply with the Corporations Act and relevant Fund's Constitution. Each plan is audited annually and the audit report is lodged with ASIC.

Insurance

The Responsible Entity and Fund Manager maintains adequate professional indemnity insurance.

Conflicts of interest

Conflicts of interest may arise between the interests of unitholders, ourselves and others.

The Responsible Entity has policies, procedures and organisational arrangements in place to manage conflicts of interest through either controlling, avoiding or disclosing the conflict. Conflicts will be resolved fairly and reasonably and in accordance with the law, ASIC policy and our own policies.

Privacy

When you complete the Application Form for units in a Fund, personal information will be collected from you.

This information will be used to establish and support the ongoing administration of your investment, to advise you of new developments relevant to your investment and to comply with Australian taxation laws, the Corporations Act and other laws and regulations. It is not compulsory for an investor to provide us with a TFN or ABN but if it is not provided it may mean that tax may need to be withheld from that investor as required by the Australian Taxation Office (ATO).

Your application will not be processed or your investment administered if you do not provide your personal information. Your personal information may be disclosed to external parties situated in Australia and offshore which provide services in relation to the Fund (confidentiality arrangements apply, such as custodial and registry service providers, bulk mailing, market research and information technology support, and providers of printing and postal services, or a government or regulatory body (such as ASIC, AUSTRAC or the ATO) or upon a court order. Information about your investments may be disclosed to your financial adviser or your appointed representative whose names appear on your Application Form. Otherwise, your personal information will not be disclosed to any other external parties unless required by law.

In many circumstances you can request access to personal information held about you. Sometimes, it is not possible to give you access, in which case it will be explained why. You may also ask us to correct information which we hold about you which is inaccurate, incomplete or out of date.

The full privacy policy is available at www.msc.group.

Responsible Entity

Melbourne Securities Corporation Limited is the Responsible Entity of each Fund. The responsibilities and obligations as responsible entity are governed by each Fund's Constitution as well as the Corporations Act and general trust law. MSC Trustees hold an AFSL No. 428289.

Constitution

Each Fund is regulated by the Corporations Act, its Constitution and the general laws of Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of unitholders and MSC Trustees' rights, powers, responsibilities and duties as Responsible Entity.

When you become a unitholder, your rights and obligations are governed by the Constitution of the Fund. Similarly, MSC Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are also governed by the Constitution of the Fund (as well as the Corporations Act and general trust law).

The Constitution for the Fund contains provisions relating to:

- your powers, rights and obligations as a unitholder;
- the commencement, duration and termination of the Fund;
- the application, issue and withdrawal of units;
- how units are valued;
- income and capital distributions;
- unitholder meetings;
- MSC Trustees' powers, as Responsible Entity, to invest or borrow, limitations on our liability, our rights including the right to charge fees, recover expenses and be indemnified; and
- your liability (in this respect, the Constitution of each Fund states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind. Accordingly, no absolute assurance can be given that your liability as a unitholder in the Fund is limited in every situation).

The Constitution of a Fund may be altered, but only in accordance with the provisions in the Constitution and the Corporations Act.

You may inspect the Constitution of a Fund at our offices on any Business Day, free of charge, or obtain a free copy by contacting enquiries@sghiscock.com.au.

Your rights as a unitholder

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

As a unitholder in a Fund, you have the right:

- to participate in income or capital distributions from the Fund you are invested in;
- to receive reports about your investment;
- where the Fund is Liquid, to have your units repurchased or withdrawn in accordance with the Constitution;
- to participate in distributions on termination or winding up of the Fund; and
- to call, attend and vote at meetings.

Registrar

Apex Fund Services Pty Ltd has been appointed as unit registry of the funds listed in this Additional Information Booklet.

Custodian and administrator

Apex Fund Services Pty Ltd has been appointed to hold fund assets, provide administration functions and maintain the primary books and records for the Funds.

Consents

Apex Fund Services Pty Ltd has given its written consent to being named in this PDS as unit registry provider, administrator and custodian of each fund listed in this Additional Information Booklet.'