

Additional Information Document

Spriggy Invest

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Spriggy Invest (**Fund**)
ARSN 643 467 270

spriggyinvest.com.au

1300 868 194

hello@spriggyinvest.com.au

Responsible Entity	Manager and Administrator	Spriggy
Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428 289 Level 2, 395 Collins St, Melbourne Vic 3000 1300 798 790	Cache Investment Management Pty Ltd ACN 624 306 430 AFSL 514 360 Level 2, 23 Foster Street Surry Hills NSW 2010 1300 122 243	Spriggy Invest Pty Ltd ACN 639 671 926 AR 1283837 Level 28, 161 Castlereagh Street, Sydney NSW 2000 1300 868 194

Important information

This additional information document (**AID**) is issued by Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428289) (**MSC, the Trustee or we**). It forms part of, and should be read in conjunction with, the Product Disclosure Statement for the Fund (available at spriggyinvest.com.au/terms/PDS.pdf). You should also read the Investment Options List (available at spriggyinvest.com.au/terms/IOL.pdf). In this AID, the term **PDS** refers to the primary Product Disclosure Statement.

You should consider the information in the PDS, this AID and the Investment Options List and obtain financial advice tailored to your personal circumstances when making a decision about the Fund. The information in this AID is general information only, is not financial product advice and does not take account of your personal financial situation or needs.

Information in this AID may change from time to time. Where a change is not materially adverse to investors, it may be updated via a notification at spriggyinvest.com.au. You can ask Spriggy to provide a digital copy of any updated information, free of charge, at hello@spriggyinvest.com.au.

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1. Transacting with the Fund

This section provides additional information in relation to the 'How Spriggy Invest works' section of the PDS.

The Fund is a digital product

The Fund is a fully digital investment product. All requests relating to the Fund must be submitted electronically through the Spriggy Invest App. The Spriggy Invest App is not incorporated by reference into, and otherwise does not form part of, this document or the PDS.

Opening an investment account

Your investment account will be established when you successfully complete the application process. As part of that process, you will be asked to provide documents and information to verify your identity and tax status.

Making an investment

There are two ways to make an investment in the Fund:

- (a) **(Ad hoc)** you can make a once-off investment of a specified amount; or
- (b) **(Regular investment plan)** you can invest a specified amount on a regular basis (e.g. weekly, fortnightly or monthly).

You can provide these instructions on the Spriggy Invest App.

You can make payment for an ad-hoc or regular investment by direct debit from an Australian bank account that you nominate and which is held in your name. Direct debit transactions are not available with all financial institutions. If you cannot set up a direct debit transaction with your financial institution or if you provide the wrong details, your payment will not be able to be processed. An instruction to invest on a regular basis may be cancelled where consecutive direct debits are dishonoured (e.g. due to lack of funds).

Where the Trustee is unable to follow an investment instruction for any reason, Spriggy will let you know and ask for further instructions. This may cause delays in locking in an investment or in you providing a new investment instruction.

Investment price

If your application is accepted and your cleared funds are received, the cleared funds will be used to

acquire your units in the Fund at the prevailing unit price for that Investment Option (plus any applicable buy spread).

Application monies

When an investment is not completed immediately (for example, because the funds are to be transferred by direct debit):

- (a) **(Application monies account)** Cache will receive your investment monies in a trust account separate from the Fund which has been established for that purpose. Any interest earned on application monies is treated as income to the Fund and will not be paid to individual investors but will be automatically reinvested.
- (b) **(Confirmations)** Spriggy will send you a confirmation by email or electronic confirmation when the transaction has been completed. That confirmation will set out the amount you've invested, the number of units issued to you, the unit price of those units and the date the units were issued. Confirmations will also be provided for applications which are processed immediately.

Making a withdrawal

You can make a withdrawal request for a once-off withdrawal of a specified amount on the Spriggy Invest App.

Withdrawal price

If your withdrawal request is accepted, you'll receive the prevailing unit price for the relevant Investment Option at the time your withdrawal request is processed (less any applicable sell spread).

The Trustee may withhold amounts to cover any amounts you owe the Trustee in relation to your investment.

Withdrawal payments

The Trustee endeavours to pay withdrawal amounts as soon as possible.

Withdrawal amounts to be paid to your nominated bank account are normally paid immediately after

your withdrawal request has been accepted. The withdrawal amount should be settled within 5 - 7 days.

Under the Fund's constitution, the Trustee is required to pay withdrawal amounts within 21 days of accepting a withdrawal request.

In exceptional circumstances, withdrawals may take longer than normal. This may occur where there are delays to processing your withdrawal request (for example, because other investors may be disadvantaged) or where there are delays to processing your withdrawal payment (for example, because the banking payments networks are disrupted).

In some circumstances, such as when there is a freeze on withdrawals or the Spriggy Invest App is unavailable, investors may not be able to provide a withdrawal request at all.

Discretion to accept or reject

The Trustee can accept or reject any investment or withdrawal request at any time at its discretion, without providing reasons for our decision.

Parts of a unit

Where you submit a request to invest or withdraw an amount that is not equal to a whole unit, the Trustee will issue a fraction of a whole unit to you for the amount you have invested, or exchange a fraction of a whole unit for the amount you have withdrawn.

The value of a fractional unit, and all rights and obligations attaching to a fractional unit, will be in proportion to a whole unit. If you hold more than

one fraction of a unit, the Trustee may consolidate the fractions into a whole unit.

The Trustee issues fractional units rounded to the fourth decimal place. Rounding could impact the value of the amount you invest or withdraw.

Transfers to third parties

You may not transfer units to another person without the Trustee's approval (which may be withheld at its sole discretion). If you would like to transfer units to another person, please contact the Trustee for more details.

Unit prices

The unit price of any Investment Option, at any time, is calculated by dividing the net trust value of the Fund (**NAV**) referable to that Investment Option by the number of units on issue of that Investment Option in the Fund at that time. Cache calculates the unit price on each business day, except in the circumstances specified in the Constitution.

The NAV is calculated as the market value of the assets of the Fund, less the liabilities of the Fund on the day in which the value is determined.

Valuation

The valuation of Fund assets is governed by the Constitution. The Constitution provides that assets must be valued in a manner that is consistent with the range of ordinary commercial practice for valuing assets of that type and be reasonably current.

2. Additional risks

This section provides additional information to the information set out in the 'Risks of managed investment schemes' section of the PDS.

Risk profile

The risk profile assigned to each Investment Option is based on the following:

- (a) **(Low risk)**: investors may experience low returns and a low level of variability (if any) in their investment returns. Where returns are very low, a low risk investment may not keep up with inflation or maintain its 'real' value (ie adjusted for inflation).
- (b) **(Moderate to low risk)**: investors may experience some variability in their investment returns.
- (c) **(Moderate risk)**: investors may experience a moderate degree of variability in their investment returns.
- (d) **(Moderate to high risk)**: investors may experience more than a moderate degree of variability in their investment returns.
- (e) **(High risk)**: investors may experience a high degree of variability in investment returns, as the potential for greater returns is generally associated with higher risk and volatility.

All investments carry risk. For more information about the risks of investing, please see ASIC guidance at moneysmart.gov.au.

Additional risks

In addition to the more significant risks described in the PDS, the following risks may also impact your investment and affect managed investment schemes generally:

- (a) **(Manager risk)** the risk that Cache, as manager, cannot or does not successfully implement the investment strategy for the Fund. This risk also includes where Cache's Australian financial services licence is revoked and is not replaced, or where Spriggy's authorisation to provide financial services is revoked.
- (b) **(International risk)** some of the assets held by the Fund are listed overseas or give exposure to overseas investments and investments in foreign jurisdictions. There are additional risks associated with holding such investments, such as exposure to foreign currencies, laws, commercial environment or political instability.
- (c) **(Derivative risk)** derivatives are a complex way to invest or manage risk. The Fund does not use derivatives, but ETFs in which the Fund invests may use these to manage risks or to try to gain exposure or make money in accordance with their strategy. Derivatives are a high-risk investment, may not always be successful and may cause disproportionate losses.
- (d) **(Borrowing risk)** the Fund does not borrow money to enhance the returns of the Fund, but the Fund may borrow for cash management purposes and companies in which the Fund invests may borrow money. Borrowing can magnify returns and magnifies losses.
- (e) **(Counterparty risk)** the risk that a person that contracts with MSC or Cache (or the issuer or manager of an ETF) fails to meet its contractual obligations, resulting in losses.
- (f) **(Tax risk)** tax law is complex, will apply differently to different investors and is regularly subject to change. You are strongly advised to obtain professional tax advice relating to your investment in the Fund.
- (g) **(Technology risk)** although Cache, MSC and Spriggy take steps, that they consider reasonable to protect information they hold, its security cannot be absolutely guaranteed. Data including phone numbers, email addresses and passwords can be compromised. If data is stored overseas, different privacy and other standards may apply there.

3. How we invest your money

This section provides additional information to the information set out in the 'How we invest your money' section of the PDS.

Investment management

Your investment will be managed in accordance with the PDS and this AID.

Authorised investments

The Fund may hold financial property, including cash, securities and ETFs.

Investment Options

For the investment objective of each Investment Option, the asset classes in which they invest, their strategic asset allocation, their minimum suggested investment time frame or risk level, please see the Investment Options List.

Rebalancing

Cache will regularly rebalance the holdings of each Investment Option to ensure they are returned to their strategic asset allocation. Cache will review the portfolio on each trading day and rebalance where deviations from the strategic asset allocation meet certain thresholds.

Netting

As the Fund is a pooled investment vehicle, all trading occurs on a netted basis. That means, Cache assesses the net trading requirements of the entire Fund.

Where some investors increase their investment in the Fund and other investors decrease their investment, Cache may only need to trade on-market to reflect the change in cash-flow on an aggregate basis.

Transactions between Investment Options

Where the rebalancing of one Investment Option and the rebalancing of another Investment Option would result in the same asset being bought and sold at the same time, Cache may simply account

for that asset as if it had been sold by one Investment Option to another at the current mid-market price for that asset.

Labour standards and environmental, social and ethical considerations

Unless expressly provided in the Investment Options List, neither MSC nor Cache takes into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

Switching investments

To switch between Investment Options, you will need to submit a request on your Spriggy Invest App to move money from one Investment Option to another, as set out in the 'How the fund works' section of the PDS.

Fund performance

Up to date information on the performance of the Fund, and each available Investment Option, will be available on the Spriggy Invest App.

Changes

Cache may change the Investment Options from time to time and without notice (after approval from the Trustee). For example, Cache may change the number of Investment Options available, the assets in which the Fund invests and the investment strategy and strategic asset allocation for each Investment Option.

The Trustee will make changes to the Investment Options where it considers it is in the best interests of investors to do so, which may include where an underlying ETF has become illiquid or suspended from trading or is about to be delisted. You will be notified of any material changes to the Investment Options.

4. Fees and costs

This section provides additional information in relation to the 'Fees and costs' section of the PDS.

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 account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme 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.

Fees and costs summary

Spriggy Invest – All Investment Options		
Type of fee or cost	Amount⁴	How and when paid
Ongoing annual fees and costs		
<i>Management fees and costs¹</i> The fees and costs for managing your investment	Indirect costs between 0.04% p.a – 0.58% p.a. of the net trust value of the Fund.	Management fees and costs comprise indirect costs which are costs which reduce the returns of the Fund, such as the fees charged by issuers of underlying ETFs (if any). Such costs are generally deducted from the Fund's assets as and when they arise. ²
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable.	Not applicable.
<i>Transaction costs³</i> The costs incurred by the scheme when buying or selling assets	Between 0% p.a. – 0.2 %p.a. of the net trust value of the Fund.	Paid as incurred or reimbursed from the assets of the Fund, or from the assets of any interposed vehicle, as and when they are incurred and reflected in the unit price of the Investment Option.

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

<i>Establishment fee</i> The fee to open your investment	Not applicable.	Not applicable.
<i>Contribution fee</i> The fee on each amount contributed to your investment	\$2 per transaction (up to and including \$1,000) 0.2% per transaction (over \$1,000)	A transaction fee will apply each time you invest in the Fund and will be deducted from the amount of your contribution. The transaction fees will be paid to Cache out of the Fund after the end of the relevant month.
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	±0.15%	The buy spread will be applied to the investment price and paid into the Fund when you invest in the Fund. The sell spread will be applied to the withdrawal price and paid into the Fund when you withdraw from the Fund.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	\$0 per transaction (below \$40) \$2 per transaction (from \$40 up to and including \$1,000) 0.2% per transaction (over \$1,000)	A transaction fee will apply each time you withdraw from the Fund and will be deducted from the amount of your withdrawal (if applicable). The transaction fees will be paid to Cache out of the Fund after the end of the relevant month.
<i>Exit fee</i> The fee to close your investment	Not applicable.	Not applicable.
<i>Switching fee⁵</i> The fee for changing investment options	\$0 per transaction (below \$40) \$2 per transaction (from \$40 up to and including \$1,000) 0.2% per transaction (over \$1,000)	The transaction fee will be incurred <u>once</u> each time you move money from one Investment Option to another (if applicable) and will be deducted from the money moved across as described above in the rows for 'Contribution fee' or 'Withdrawal fee'.

¹ The costs component of management fees and costs reflects the actual amount incurred for the last financial year and the Trustee's reasonable estimate where information was not available as at the date of this AID as a percentage of the net trust value of the Fund. For more information, please see the 'Additional explanation of fees and costs' below, section 5 of the AID and sections 1 and 2 of the Investment Options List.

² In addition to indirect costs, management fees and costs could include other fees and costs such as management fees and recoverable expenses. No management fees are anticipated at this stage, and no recoverable expenses were incurred for the last financial year. For more information on management fees

and costs, please see section 5 of the AID and sections 1 and 2 of the Investment Options List.

³The transaction costs reflect the actual amount of transaction costs incurred for the last financial year and the Trustee's reasonable estimates where information was not available as at the date of this AID, where this is not recovered by the buy/sell spread.

⁴ 'Nil' means there is an entitlement under the Constitution but we have elected not to charge it. 'Not applicable' means there is no entitlement for the Trustee to charge this fee under the Constitution.

⁵ A switch is effected as a withdrawal from one Investment Option and an investment in another Investment Option. Under the Constitution there is no fee chargeable specifically relating to switching between Investment Options, however, under the Constitution the Trustee is entitled to charge an application fee and a redemption fee associated with the process of switching from one Investment Option to another.

Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Investment Option	Cost of product
Aussie Top Stocks	\$57.52
US Top Stocks	\$29.80
Emerging Markets	\$247.60
Sustainability Leaders	\$302.05
Global Health & Medicine	\$242.65
Global Technology	\$332.62
Gold	\$208.00
Conservative	\$74.73
Balanced	\$85.68
High Growth	\$123.64

The cost of product for each Investment Option assumes a constant investment of \$50,000 throughout the year and the \$5,000 investment occurs at the end of the year, and that you are only invested in each Investment Option.

Additional explanation of fees and costs

Transaction fee

A transaction fee applies each time you invest money, withdraw money or move money from one Investment Option to another.

Where you move money from one Investment Option to another (if applicable), the Trustee will only charge the transaction fee once (rather than once to sell down and again to re-buy).

Cache will pass on some or all of the transaction fee to MSC or Spriggy (depending on the scale of the Fund).

Management fees and costs

The management fees and costs for the Fund incorporate all relevant fees and other costs involved in managing the Fund and deriving investment returns, including recoverable expenses and indirect costs.

Management fees and costs do not include transaction fees (described above), transaction costs (described below) or any other costs that an investor would ordinarily incur when investing directly in the Fund's underlying assets.

Management fee

While the Constitution permits a management fee to be charged, there is no management fee charged to investors, as investors are instead required to pay a transaction fee. See 'Changes to fees and costs' below.

Indirect costs

Indirect costs are not fees charged by the Trustee.

Indirect costs are any amounts that the Trustee knows or where required, reasonably estimates, will reduce the Fund's returns that are paid from the Fund's assets (other than recoverable expenses and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying ETF) in which the Fund may invest.

For the indirect costs for a particular Investment Option, see the Investment Options List.

Recoverable expenses

The recoverable expenses represent the 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.

The expenses normally incurred in the day to day operation of the Fund include investment manager fees, fund administration, unit registry and audit costs (other than transaction costs described below). These expenses normally incurred will be paid by Cache out of its own resources while this AID is current. Where the Trustee is unable to recover those expenses from Cache it may recover those expenses from the assets of the Fund.

There were no recoverable expenses incurred for the last financial year, as these expenses were paid out of Cache's own resources. Where such information was not available as at the date of this AID for any Investment Options, the Trustee reasonably estimates that there were no recoverable expenses incurred for the last financial year. As at the date of this AID, the Trustee also reasonably estimates that the ordinary expenses that will apply for the current financial year will be nil, as these expenses will continue to be paid out of Cache's own resources. 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. Any such expenses will be recovered from the Fund and reflected in its unit price.

The extraordinary expenses of the Fund for the last financial year were nil. Where such information was not available as at the date of this AID for any Investment Options, the Trustee, reasonably estimates that there were no extraordinary expenses incurred for the last financial year. As at the date of this AID, the Trustee also reasonably estimates that the extraordinary expenses that will apply for the current financial year will be nil.

Transaction costs

Transaction costs are not a fee paid to the Trustee, Cache or Spriggy.

The Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees and other transaction fees associated with

buying and selling the Fund's assets or processing applications or redemptions (including the transaction costs of underlying funds). Transaction costs are an additional cost to you where it has not been recovered by the buy/sell spread, and are not included in the management fees and costs.

A buy spread will be applied to the investment price and a sell spread will be applied to the withdrawal price to ensure that (as much as possible) the transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not by other investors. The buy/sell spread for the Fund is the Trustee's reasonable estimate of the transaction costs that the Fund will incur and is not received by the Trustee, Cache or Spriggy.

The Fund's total transaction costs for the last financial year were, or where such information was not available at the date of this AID for any Investment Options was reasonably estimated to be, between 0.15% p.a. and 0.62% p.a. of the Fund's net trust value (and varies depending on your Investment Option) and were substantially recovered from transacting investors through the buy/sell spread. The transaction costs (if any) shown in the 'Fees and costs summary' are net of any amount recovered by the buy/sell spread.

For the transaction costs or the buy/sell spread for a particular Investment Option, see the Investment Options List.

The amount of these costs can be expected to vary from time to time depending on the volume and value of transactions undertaken.

Dishonour charges

Where a direct debit or other payment is dishonoured (for example, due to insufficient funds) you may be charged a dishonour fee by your financial institution.

Goods and Services Tax

Fees and costs charged to the Fund attract 10% GST, which is charged to and borne by the Fund. All fees and costs disclosed in the PDS are inclusive of GST (as defined in the *A New Tax System (Goods*

and Services Tax) Act 1999 (Cth)), to the extent applicable, after taking into account any expected reduced input tax credits (**RITCs**).

The Fund will claim RITCs where possible under the GST regulations. These credits will reduce the overall cost of GST to the Fund and will be reflected in the unit price. Please refer to 'How managed investment schemes are taxed' for more information.

Service providers

The Trustee may provide services or make payments to service providers in return for promotional or operational services for the Fund. These payments will be paid out of Cache's fees on a one-off or ongoing basis.

Changes to fees and costs

The Trustee has the power to change its fee structure without your consent, subject to the maximum fees described in the Fund's constitution, however the Trustee does not currently intend to do so. The Fund's constitution provides for the following maximum fees:

- (a) a maximum application fee of 5% of the aggregate issue price of units applied for (plus GST);
- (b) a maximum redemption fee of 5% of the aggregate redemption price of units redeemed (plus GST); and
- (c) a maximum management fee of 5% per annum of the total gross value of all the Fund's assets (plus GST).

Fees and costs may also vary over time due to changes to the Fund, changing economic conditions or changes in regulation. Investors will be given notice of any changes to fees in accordance with the Corporations Act (for example, where there is an increase in fees or charges and the Fund is not a disclosing entity, investors will be notified at least 30 days before the increase takes effect).

5. How managed investment schemes are taxed

This section provides additional information to the information set out in the 'How managed investment schemes are taxed' section of the PDS.

General

The taxation information in the PDS and this AID is provided for general information only. The PDS and AID assume you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. It should not be used as the basis upon which you make a decision to invest.

The taxation information in this AID has been prepared based on taxation laws as at the date of this AID. These laws can change at any time, which may have adverse taxation consequences. It is recommended that investors seek their own professional advice, specific to their circumstances, of the taxation implications of investing in the Fund.

Taxation of the Fund

The income tax treatment of the Fund will depend on whether the Fund is eligible, and elects, to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying Managed Investment Trusts (**MIT**) that provide for flow-through taxation to investors. The AMIT election is irrevocable, and the AMIT provisions will apply in each future income year in which the Fund satisfies the requirements to be a MIT. MSC intends to make the election for the Fund to enter into the AMIT, if it qualifies to be a MIT.

Where the Fund does not satisfy the eligibility criteria to be a MIT, the Fund cannot make the AMIT election and ordinary trust taxation rules apply.

Where the AMIT regime applies for an income year, the following will apply:

Fair and reasonable attribution: Each year, the Fund's determined assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated on a "fair and reasonable" attribution basis, rather than being

allocated proportionally based on your present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains/losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of any cost base adjustment will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement (**AMMA**).

Large redemptions: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming investor.

Multi-class AMITs: A choice is available to elect to treat separate classes of units as separate AMITs. MSC intends to make the AMIT multi-class election to segregate the returns of each investment option. Where the classes are treated as separate AMITs, the gains or losses derived in respect of one of the investment options will not affect the returns of the alternative investment options.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

Public Trading Trust Rules

The Fund does not intend to derive income other than from an "eligible investment business". Accordingly, it should not be subject to tax as a public trading trust. Further, MSC will seek to ensure it does not control entities that carry on trading activities.

Non-AMIT Provisions

On the basis the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for income tax purposes. This means that you will be taxed on your share of the Fund's net taxable income.

Multi-class non-AMITs

In the absence of an AMIT multi-class election being made, the Fund is treated as a single taxpayer. As the classes are not treated separately for tax purposes, there is a risk that the income, expenses and tax losses are not quarantined to each class, such that all tax deductions and tax losses are spread against the gross income of the Fund. In this scenario, gains or losses derived in respect of one of the investment options may affect the returns on the other investment options.

Taxation of Financial Arrangements (TOFA)

The TOFA rules may apply to financial arrangements held by the Fund when calculating its assessable income. Under the TOFA rules, gains and losses on financial arrangements are generally assessed for tax purposes on a compounding accruals basis (where the gains/losses are sufficiently certain) rather than a realisation basis

Losses

In the case where the Fund makes a tax loss or capital loss for Australian income tax purposes, the Fund cannot distribute these losses to investors. However, these losses may be carried forward and offset against future gains.

Where the AMIT multi-class election is made, the losses will be quarantined for each class and cannot be offset against gains derived by another class.

Distributions – AMIT

The AMIT provisions require the taxable income of the Fund to be "attributed" to investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. MSC will seek to attribute taxable income having regard to the units held by investors, entitlements to income and capital, as well as cash distributions made, or new units issued to such investors during the relevant period.

Under the AMIT provisions, an investor may be taxable on their share of the Fund's taxable income prior to receiving distributions from the Fund.

Distributions – Non-AMIT

Provided that the Fund is treated as a flow-through vehicle, investors will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that they are presently entitled to. The Fund's investors will be required to include their share of taxable income in their tax return.

Franking Credits and Franked Dividends

Income distributions from the Fund may include an entitlement to franked dividends. Generally, investors should include the franked dividends and the franking credits (imputation credits) they receive in their assessable income.

Certain additional requirements, including the 45-day holding period rule may need to be satisfied in order to benefit from franking credits attached to the dividends. The investor's particular circumstances (and that of the Fund) will be relevant to determine whether the investor is entitled to any franking credits in respect of the investor's share of the franked dividends. Any excess franking credits may be refundable to some investors, such as individuals and complying superannuation funds.

Foreign Income

The Fund may derive foreign sourced income that might be subject to foreign tax. Investors should include their share of both the foreign income and the amount of any foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a Foreign Income Tax Offset (**FITO**) for the foreign tax paid, against the Australian tax payable on the foreign sourced income. FITO's that are not utilised cannot be carried forward to a future income year.

Capital Gains

An investor's share of the taxable income of the Fund may include an amount that consists of discount and concessional capital gains derived by the Fund. Investors may be able to reduce the capital gains distributed by the Fund by any capital losses which are available to them. Furthermore,

after applying any loss, individual, trust, and complying superannuation fund investors may then be entitled to discount that capital gain by 50% for individuals and trusts and 33.3% for complying superannuation funds in determining the net capital gain that is to be included in their assessable income.

Non-assessable distribution payments - AMIT

Under the AMIT provisions, an investor's cost base in their units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the investor in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to investors after year-end.

Non-assessable distribution payments – Non-AMIT

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the taxable income allocated to an investor. Certain tax-deferred distributions that are not assessable to an investor result in a reduction in the cost base of the units held by the investor. A capital gain will arise where those tax-deferred distributions exceed the cost base of the units.

Disposal of Units

If an investor switches investment options or redeems their units in the Fund, this will constitute a disposal for tax purposes.

Where an investor holds their units in the Fund on capital account, a capital gain or loss on the disposal may arise and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held

for 12 months or more. No CGT discount is available to corporate investors.

Investors are not generally entitled to sell or transfer units to other persons. However, if an investor does so, the investor may be liable for tax on any gains realised on that disposal of units.

Goods and Services Tax (GST)

The Fund will be registered for GST. The acquisition and disposal of units in the Fund by investors should not be subject to GST. Similarly, the distributions paid by the Fund should not be subject to GST. However, some of the fees and expenses incurred by the Fund are likely to attract GST (at the rate of 10%) and in some cases, the GST may be reduced by a RITC. The recovery of GST will be dependent on the precise nature of the expenses incurred and the nexus with domestic or international equities. The GST and expected recovery of ITCs or RITCs relating to fees and expenses is incorporated in the management cost for the Fund.

Duty

The issue or redemption of units should not attract any duty. Duty may be payable on the transfer of units. Investors should confirm the duty consequences of transferring units with their taxation adviser.

Tax File Number (TFN)

We will ask you to provide your TFN. You do not need to provide it. However, if you do not provide your TFN we may be required to deduct tax from your investment.

Tax Reform

Tax reform activity is generally ongoing and such matters may impact on the tax position of the Fund and its investors. You should monitor any proposed legislative changes (including judicial developments) and seek your own professional advice, specific to your own circumstances, in relation to such matters.

6. Additional information

If your details change

You must notify Spriggy of any change to your details, either by email or through the Spriggy Invest App. This includes any changes to your personal details, contact details and foreign tax residency status.

Spriggy will keep in touch

Spriggy will keep you up to date on your investment in a number of ways, including:

- (a) by showing your investment balance and transaction history on the Spriggy Invest App;
- (b) by providing you a transaction statement each year; and
- (c) by providing you an AMMA (ie a tax statement) each year.

Protecting your privacy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

Spriggy is committed to respecting the privacy of your personal information. Spriggy's privacy policy sets out how it manages personal information. By applying to invest in the Fund, you consent to your personal information being collected and used as set out in this policy. If Spriggy doesn't collect this information, it may not be able to provide its services to you.

Spriggy collects personal information directly from you, when you ask Spriggy to provide you information, through the Spriggy Invest App and throughout its relationship with you.

Your personal information may be provided to other persons such as the Trustee, Cache and external service providers, including any custodian, auditor, taxation adviser, legal adviser and information technology service provider. Cache also provides your personal information to external service providers to verify your identity to comply with its legal obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

Additionally, your personal information will be disclosed if required by law to do so.

Foreign tax residency

Cache is required to collect certain information about you in order to determine your foreign tax residency status under the *Taxation Administration Act 1953* (Cth).

Where required by law, Cache will provide that information (as well as information about your investment in the Fund) to the ATO.

In order to determine your foreign tax residency status (which the Trustee is required to do at the time you first make an investment in the Fund), we may need to obtain additional information from you, including documentation and certifications.

If you do not provide any information, Cache reasonably requests by the time it requires it, Cache may be required to withhold tax on the payment of any distribution it pays to you or gross proceeds from the sale of investments, or close your account.

You must tell Spriggy if your foreign tax residency status changes.

The Trustee needs to know you

The Trustee can't allow you to invest into the Fund until your identity has been successfully verified. To do this, Cache may ask you to provide identification documents.

Sometimes Cache may be required to obtain additional information from you, such as the source or origin of the funds in your investment account and how you plan to use your investment account.

Cache uses third party providers to verify some or all of this information.

If Cache is unable to verify your identity or you don't provide the information Cache reasonably requests within an acceptable time frame, your application will not be accepted and the Trustee may suspend or close your investment account without prior notice to you or any reason being given. This means that no units will be issued to you, and withdrawals may not be made within the time periods contemplated in the PDS or this AID.

Cache and the Trustee will not be liable for any losses, including for market movements, that may be incurred by a prospective investor if an application is delayed or rejected due to their legal obligations (including those arising under anti-money laundering laws) or other delays caused by an application being incomplete.

Constitution

The Fund's constitution sets out the Trustee's obligations as well as your rights as an investor. You can obtain a copy of the Fund's constitution free of charge by contacting the Trustee.

The Constitution may be amended from time to time, in accordance with its terms and the law. The *Corporations Act 2001* (Cth) (**Corporations Act**) requires investor consent (given at an investor meeting) for any alteration unless the Trustee reasonably considers that the alteration will not adversely affect the rights of investors.

The Trustee may suspend your account or refuse to process a transaction.

You agree that the Trustee may (in its discretion) suspend, delay, cancel or refuse to process a transaction (including the issue or redemption of units), where:

- (a) the Trustee considers such action is necessary or desirable in light of its obligations under anti-money laundering or sanctions or other legal obligations;
- (b) the Trustee believes that a transaction may be fraudulent or
- (c) the Trustee considers such action is necessary (for example to manage regulatory risk).

In these circumstances, none of the Trustee, Cache nor Spriggy will not be liable to you for any resulting loss.

Compliance plan

A compliance plan for the Fund has been lodged with ASIC, setting out how the Fund is operated to ensure compliance with its Constitution and the law. The Trustee is responsible for overseeing the compliance plan. Each year the compliance plan, and the Trustee's compliance with the compliance plan, will be independently audited.

Your rights

Subject to the Constitution, you're generally entitled to receive a share of the Fund's distributable income (referable to your Investment Option), redeem units, transfer units, receive annual audited accounts and inspect the Constitution.

Custody

The Trustee has appointed a custodian to hold the assets of the Fund and may change custodian from time to time. The custodian may appoint a sub-custodian.

Investor meetings

Investors can call, attend and vote at investor meetings for the Fund subject to the constitution and the Corporations Act. You will be bound by a resolution of investors, whether or not you attend the meeting at which it is passed.

Your liability

Except as provided below, your liability is limited to the amount you've invested in the Fund.

You may be liable for further amounts relating to fees, taxes or costs incurred in relation to your units or where you otherwise owe the Trustee money. These amounts may be recovered from your investment balance (if applicable). Details of your liability as an investor are set out in the Constitution.

Termination

The Trustee can terminate the Fund at any time or terminate an Investment Option, subject to the Act. Where the Fund is terminated, the assets of the Fund will be realised, liabilities will be discharged and then the net proceeds will be distributed to the investors of each Investment Option pro rata to their investment in accordance with the Fund's constitution. Your final distribution will be determined by reference to the number of units you hold in an Investment Option on the termination date.

Financial information

Financial information about the Fund will be made available on Spriggy's website as required by law.

Additional classes

The Trustee may also offer other classes of units in the Fund under a separate disclosure document to other investors and may create or close different classes of units from time to time.

Units of other classes may have rights and obligations that are different to the units issued under this document.

Changes to the Fund

The Trustee can make changes to the Fund, the Investment Options, the PDS and this AID. Sometimes, changes may occur without prior notice. If the Fund is not a disclosing entity, you will be given 30 days' prior notice of any material changes to the Fund as required by law.

Employee investing

Employees of the Trustee, Cache and Spriggy may invest in the Fund subject to the personal account trading policies and procedures of the Trustee, Cache and Upstreet.

Consents

Cache, Spriggy and Sandhurst Trustee Limited have each given, and at the date of this AID have not withdrawn, their consent to be named in this AID in the form and context in which they are named.