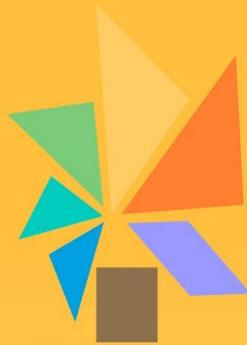


Tanggram Investment Fund
ARSN 632 672 336
Product Disclosure Statement
Date: 5 February 2024



Manager & Administrator

Cache Investment Management Ltd
(ACN 624 306 430, AFSL 514360)
81 – 83 Campbell Street,
Surry Hills NSW 2010
1300 122 243

Portfolio Manager &
Promoter

Tanggram Capital Pty Ltd
(ACN 630 041 020, AR 001305609)
Level 4, 350 Collins Street,
Melbourne VIC 3000
1300 099 777
customer@tanggram.com
www.tanggram.com

Trustee

Melbourne Securities Corporation Limited
(ACN 160 326 545, AFSL 428289)
Level 2, 395 Collins Street,
Melbourne, VIC 3000, Australia
1300 798 790





Important Information

This Product Disclosure Statement (**PDS**) provides important information about the Tanggram Investment Fund (ARSN 632 672 336) (**Fund**) and relates to the offer of units in the Fund.

Not advice

You should consider the information in this PDS in full and obtain financial advice tailored to your personal circumstances before making a decision about being an investor in the Fund. The information in this PDS is general information only, it is not financial product advice and does not take account of your personal objectives, financial situation or needs.

Information in this PDS should not be construed as tax or investment advice.

Product Disclosure Statement

This PDS is dated 5 February 2024

and is issued by Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428289) (**Trustee** or **MSC Trustees**) in its capacity as the responsible entity of the Fund. This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required by the *Corporations Act 2001* (Cth) (**Corporations Act**) to be lodged with ASIC.

ASIC takes no responsibility for the contents of this PDS.

Your investments in the Fund are governed by this PDS that is in force from time to time, along with the constitution of the Fund and other laws with which the Trustee must comply.

What am I investing in?

The Fund is a managed investment scheme registered with ASIC, structured as a multi-class unit trust. Units in the Fund are issued by the Trustee. The terms of issue of the units are governed primarily by the terms and conditions contained in this PDS, any subsequent supplementary PDS (that may be issued by the Trustee from time to time) and the Fund's constitution (**Constitution**). It is important that you read this PDS and the Constitution in full as they set out your rights and obligations in relation to your investment.

The Fund offers several investment options which may have different investment strategies, target returns and risk profiles.

Offer open to Australian investors

The offer is an offer which is available to persons receiving this PDS within Australia but does not constitute an offer of interests in any jurisdiction where, or to any persons to whom, it would be unlawful to make the offer. It is the responsibility of any overseas applicant to ensure compliance with all laws of any country relevant to the offer. The return of a duly completed application form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

This PDS does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than units in the Fund.

Electronic communications

The Fund is a fully digital investment product. By making an application, you agree to receive communications in digital form only (including via email, the Tanggram investment mobile application (**App**) or at www.tanggram.com (**Website**) with a copy of, or hyperlink to, the relevant communication). Neither the App nor the Website is incorporated by reference into, and otherwise do not form part of, this PDS.

Updated information

Information in this PDS may change from time to time.

Where a change is not materially adverse to investors, it may be updated via a notification at <https://www.tanggram.com/support/product-disclosure-statement>. You can find updated information about the Fund at any time at that website.

The Trustee expressly reserves the right to change matters which are the subject of representations made in this PDS, including but not limited to administrative matters or fees and charges. The Trustee may issue a replacement or supplementary PDS, or provide a continuous disclosure notice, through publication at <https://www.tanggram.com/support/product-disclosure-statement>

[t-disclosure-statement](#). Some changes to the features of the Fund will come into effect only after prior notice is given to investors, where this PDS states that prior notice of such changes will be given or where prior notice is required by law.

You should read any replacement or supplementary disclosures, or other disclosures, made in conjunction with this PDS prior to making any investment decision.

You can ask Tanggram Capital Pty Ltd to provide you with a digital or paper copy of any updated information, free of charge, at customer@tanggram.com.

Status of disclosures

No person is authorised to give any information or to make any representation in connection with the investment in the Fund which is not set out in this PDS.

This PDS supersedes all previous Product Disclosure Statements and supplementary Product Disclosure Statements issued for the Fund. No investments will be accepted on the basis of this document once it is replaced by a later PDS. Investors who invested in the Fund under a previous Product Disclosure Statement, or supplementary Product Disclosure Statement, should read this PDS in full to ensure that this Fund continues to meet their investment objectives.

Disclaimer

The offer contained in this PDS is an invitation only. The Trustee is not bound to accept an application from you.

The information contained in this PDS is general information only and does not take into account the individual objectives, financial situation, needs or circumstances of investors.

Like all investments, the performance of the Fund is subject to investment risks, including

reduction in the capital value of the amount invested, a less than expected return on funds invested, or a delay in payment.

The Fund is a managed investment scheme and investment in the Fund is not a bank account. Neither the Trustee, Cache Investment Management Ltd, Tanggram Capital Pty Ltd, nor any other person, guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.

Historical returns are not a reliable guide for future returns. Any returns noted in this PDS represent past performance only and may not reflect the current and future returns of the Fund. You should not base your decision to invest in the Fund on past returns.

Certain information contained in this PDS constitutes 'forward-looking statements' that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'may', 'expect', 'aim', 'anticipate', 'foresee', 'estimate', 'target', 'intend', 'likely', 'planned', 'continue', 'potential', or 'believe' or the negatives or other variations of those words or comparable terminology. Furthermore, any projections or other estimates in this PDS, including estimates of returns or performance, are 'forward-looking statements' and are based on certain assumptions that may change.

The images used in this PDS are illustrative only and do not necessarily form part of the assets of the Fund.

Questions

If you have any questions concerning the information contained in this PDS, please contact the Portfolio Manager at **1300 099 777** or by email at customer@tanggram.com.

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1. KEY FEATURES OF THE FUND

This information in the table below provides a snapshot of the Fund as at the date of this PDS. You should consider the information in this PDS in full and obtain financial advice tailored to your personal circumstances before making a decision about the Fund.

Feature	Description	Section/s
Name of the Fund	Tanggram Investment Fund	
ARSN	632 672 336	
Trustee	Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428289)	Section 2.3
Manager administrator	& Cache Investment Management Ltd (ACN 624 306 430, AFSL 514360)	Section 2.1
Portfolio manager promoter	& Tanggram Capital Pty Ltd (ACN 630 041 020)	Section 2.2
Custodian	Perpetual Corporate Trust Limited (ACN 000 341 533)	Section 2.4
Investment strategy	To invest indirectly in a diversified portfolio of loan assets with a view to generating a steady stream of income and preserving investor capital.	Sections 4.1 – 4.2
Distributions	Distributions are expected to be paid monthly in arrears.	Section 3.13
Distribution reinvestment	Investors may choose whether their distribution income is paid into their nominated bank account or reinvested into the Fund.	Section 3.14
Withdrawal	Subject to the applicable minimum holding period, withdrawal requests must be lodged at least 30 days prior to the end of the month. Withdrawal requests will generally be paid within 15 business days of the end of the relevant month.	Section 3.10
Key risks	It is important that you read and consider the risks associated with an investment in the Fund before deciding whether to invest. When considering your investment in the Fund, it is important that you consider such thing as: <ul style="list-style-type: none"> • the risks involved in investing in the Fund; • the extent that an investment in the Fund fits your financial objectives and goals; • your risk appetite; and 	Section 7

- the risks that other investment opportunities have.

You should also remember that an investment in the Fund is not a bank deposit or a term deposit with a bank.

No capital protection	There is no guarantee of the investment result, the return of capital, or distribution amounts payable to investors and there are risks associated with an investment in the Fund. These risks are explained in Section 7 in this PDS.	
Management fees and costs	Fees and other management costs apply to an investment in the Fund and you should read the <i>Fees and Other Costs</i> section for full details.	Section 8
Regular reporting	Investors receive the following regular reports: <ul style="list-style-type: none"> • distribution statements; • annual tax statement (where the Fund is an AMIT, these statements will be AMIT member annual (AMMA) statements); • annual periodic (transaction) statements; and • the Fund’s annual financial report (if requested). 	Section 10.2
ASIC Benchmarks and Disclosure Principles	ASIC has developed 8 ‘Benchmarks’ and 8 ‘Disclosure Principles’ designed to provide investors with key information about investing in mortgage schemes – Regulatory Guide 45 <i>Mortgage schemes: Improving disclosures for retail investors</i> . These Benchmarks and Disclosure Principles deal with liquidity, scheme borrowing, loan portfolio and diversification, related party transactions, valuations, lending principles, distributions and withdrawals.	Section 5
Access to current information	<p>The Trustee aim to provide investors with up-to-date information about the Fund so that investors can monitor their investments in the Fund.</p> <p>You can obtain up to date information in relation to the Fund’s performance, and continuous disclosure material at https://www.tanggram.com/support/product-disclosure-statement. This includes any updates of this PDS. The latest target market determination for the Fund can be obtained from https://www.tanggram.com/support/target-market-determination.</p>	See ‘Updated information’ under the ‘Important Information’ section

2. ROLES AND RESPONSIBILITIES

2.1. Manager and Fund administrator

The Trustee has appointed Cache Investment Management Ltd (ACN 624 306 430, AFSL 514360) (**Cache, Manager or Administrator**) as the manager and administrator of the Fund, and in these roles it is responsible for managing the assets of the Fund and the Fund's administration.

Cache undertakes certain services including establishing the Fund operationally, undertaking the day-to-day management of the Fund, managing the Fund's assets, operating the Fund's unit registry and providing accounting services in respect of the Fund.

2.2. Portfolio manager and promoter

Tanggram Capital Pty Ltd (ACN 630 041 020) (**Tanggram or Portfolio Manager**) is the portfolio manager and promoter of the Fund and assists investors to engage with their investment in the Fund by operating the App and Website. Tanggram also provides sub-investment management services including reviewing and advising Cache on the Fund's investment strategy, screening of underlying assets of mortgage schemes in which the Fund invests and constructing the portfolio of the Fund.

Tanggram is part of the Tanggram Group, founded in 2013, which provides financial services to retail and wholesale investors across Australia.

Although Tanggram may advise Cache in respect of these matters, all final decisions regarding the Fund's investment strategy and portfolio will be approved by Cache. The Trustee may vary any investment decision made by either Tanggram or Cache in accordance with the Fund's constitution. Tanggram has been appointed as Cache's authorised representative under Cache's Australian financial services licence (authorised representative number 001305609).

2.3. Trustee

Melbourne Securities Corporation Limited

(ACN 160 326 545) is the trustee and responsible entity of the Fund and the issuer of units in the Fund. The Trustee acts on behalf of investors and provides oversight in respect of compliance of the Fund with the Corporations Act and the Fund's constitution.

2.4. Custodian

Perpetual Corporate Trust Limited (ACN 000 341 533) (**Perpetual or Custodian**) has been appointed to hold the assets of the Fund as an independent custodian under a custodian agreement.

The Custodian's role is to hold the assets in its name and act on the direction of the Trustee to effect cash and investment transactions.

Perpetual was not involved in the establishment of this PDS and is not accountable for the performance of the Fund.

The Custodian's role as custodian is limited to holding the assets of the Fund. The Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to an investor.

To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any statements or omissions from all or part of this PDS other than the references to its name. The Custodian does not guarantee the repayment of capital or any particular rate of capital or income return.

The Custodian has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. The Custodian does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by the Custodian.

3. HOW THE TANGGRAM INVESTMENT FUND WORKS

3.1. A unit trust and a managed investment scheme

The Fund is a managed investment scheme that is structured as an Australian unit trust and registered with ASIC under the Corporations Act. There may be one or more classes of units in the Fund (each, an **Investment Option**).

A unit represents an undivided beneficial share in the Fund's assets as a whole (but not a right to any Fund assets in particular), subject to the Fund's liabilities.

3.2. Each Investment Option has a unit price

Each Investment Option may have a different unit price. The unit price for an Investment Option is determined by the Investment Option's net asset value less accrued income, which is then divided by the number of units on issue in the Investment Option at that time plus the transaction charge.

The unit price for each Investment Option will vary as the market value of the Investment Option's underlying assets rise and fall.

For more information, please see the Unit Pricing Policy and Fair Value Pricing Policy for the Fund. You can ask the Portfolio Manager to provide a digital copy to you free of charge by contacting Tanggram at customer@tanggram.com.

3.3. Opening an investment account

To invest in the Fund, you need to open an investment account with Tanggram and complete the application process on the App. As part of that process, you will be asked to provide documents and information to verify your identity and tax status. Your investment account will be established when you successfully complete the application process.

You are required to nominate an Australian bank/credit union account held in your name. Application monies will be debited from this linked bank/credit union account.

3.4. Making an investment

You can provide an investment instruction after your investment account has been established.

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

- a) **Ad hoc**: you can make a once-off investment of a specified amount;
- b) **Regular investment plan**: you can invest a specified amount on a regular basis (weekly or monthly if this is offered by Tanggram at the time of investment); or
- c) **Tanggram Rewards Scheme Program**: you can receive an investment under the terms of the Tanggram Rewards Scheme Program (see section 3.7 below).

An investment instruction may be provided by using the App. The Trustee may, in its discretion, accept an investment instruction by way of an approved application form.

3.5. Direct debit transactions

Payments for applications for units can be made by direct debit from an Australian bank/credit union account that you nominate and hold in your name. Direct debit transactions are not available at all financial institutions. If money cannot be requested from your financial institution or if you provide the wrong details, your payment will not be able to be processed. If you have insufficient funds in your bank/credit union account when the direct debit is processed, you may be charged a direct debit failure fee by your financial institution.

3.6. Regular investment plan

You can also make ongoing investments under a regular investment plan if this is offered by Tanggram. A regular investment plan allows you to make regular investments via direct debit from the account described in section 3.5 above.

3.7. Tanggram Rewards Scheme Program

The Tanggram Rewards Scheme Program (**Rewards Program**) is a cashback loyalty program operated by Tanggram that allows shoppers to earn rebates in eligible purchases known as 'T-Points'.

Tanggram may negotiate arrangements with partner companies (**Partner**) to rebate part of the purchase price of eligible purchases made by a shopper, or otherwise provide a benefit to their customer (**Rewards Offer**).

T-Points are accumulated on the App, subject to the terms and conditions of the Rewards Program.

You can use your T-Points to invest in the Fund. 1 T-Point is equivalent to \$1.00. The minimum additional investment in the Fund is \$100. You can submit an investment instruction on the App wholly using T-Points, if you have 100 or more T-Points.

To participate in the Rewards Program, you will need to open an investment account using the App and complete the relevant application process.

The Rewards Program is solely run by Tanggram. Rewards Offers may be for a limited time only and may change from time to time. T-Points may vary. Neither the Trustee, Cache nor Tanggram guarantee that any Partner will approve or make payment of T-Points under any Rewards Offer. The terms and conditions of the Rewards Program do not form part of this PDS, and the Rewards Program operates independently from the Fund.

3.8. Issue price

If your investment instruction is accepted and your cleared funds are received, you will pay for your units in the Fund at the next applicable unit price for the relevant Investment Option after the time your investment request is processed (plus any applicable buy spread).

3.9. Application monies

When an application for units is not completed immediately:

- a) **Application monies account:** Your investment monies will be received in a trust account separate from the Fund established for that purpose. Any interest earned on application monies is retained by the Trustee and will not be paid to individual investors or the Fund; and
- b) **Confirmations:** You will receive a confirmation of the transaction only when it is completed (either by email or via the App). 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.

3.10. Withdrawals

You can request a withdrawal of all or part of your investment through the App.

Subject to the minimum holding period of the Investment Option, and the relevant Investment Option remains liquid, investors can generally withdraw from the Investment Option at the end of each month subject to providing a valid withdrawal request.

Withdrawals will be processed at the unit price current at the time the withdrawal request is processed by the Trustee.

Withdrawal requests must be lodged at least 30 days prior to the end of the month. Withdrawal requests will generally be paid within 15 business days of the end of the relevant month.

Under the Constitution, the Trustee is required to make payment of accepted withdrawal requests within 12 months of the last business day of the month following the day on which the withdrawal request was made (although the Constitution permits an extension of the period to satisfy withdrawal requests in certain circumstances).

Where a withdrawal request that has been granted results in an investor's remaining Units having a value less than the minimum balance described in this PDS, the Trustee may treat the Withdrawal Request as also relating to the balance of the investor's holding.

Under the terms of the Constitution, in certain situations, the Trustee is able to, amongst other things, deny all redemption requests or compulsorily redeem investors where it believes that doing so is in the best interests of investors in the Fund as a whole.

Where the Fund is not liquid within the meaning of that term under the Corporations Act, withdrawals will only be permitted where a withdrawal offer is made in accordance with the requirements of the Corporations Act and the Constitution. The Trustee is not obliged to make a withdrawal offer.

3.11. Transfers of units

Transfers of units are not permitted without the Trustee's consent.

3.12. Limitations

In some circumstances, such as when there is a freeze on withdrawals or the App is unavailable, investors may not be able to withdraw from the Fund within the usual period upon request.

The Trustee may accept or reject any investment or withdrawal request at any time at its discretion.

3.13.Distributions

Distributions to investors are usually paid on a set period basis, expected to be per calendar month.

Distributions (if any) are expected to be calculated on the last business day of each calendar month and generally paid to investors within 15 business days of the end of each calendar month.

Each investor's entitlement to a distribution payable for a distribution period in respect of a unit will be calculated with reference to the number of days in each distribution period for which the unit is held.

The Trustee, upon request by the Manager, may decide not to distribute amounts which it reasonably considers necessary to meet any outgoings or liabilities (actual or contingent) in respect of the Fund including any amounts required for tax withholdings. Taxes paid or withheld that are allocatable to one or more investors will be deemed to have been distributed to such investors for the purposes of determining the above calculations.

3.14.Distribution reinvestment

Investors may choose to have their distributions paid directly into their nominated account or reinvested as additional units in the Fund. If an Investor has not specified how they would like distributions to be paid, the default option will be to reinvest distributions into the Fund.

No minimum investment amount applies to any distribution re-investment, however, please note the minimum holding period applicable to the Investment Option will apply to the issue of new units via any distribution reinvestment.

4. ABOUT THE INVESTMENT OPTIONS

Two Investment Options are offered under this PDS, namely Tanggram Seed and Tanggram Spark.

Exposure of the two Investment Options are the same. But the strategic asset allocation and target return of Tanggram Seed and Tanggram Spark are different. You should consider the likely investment return, risk and your investment timeframe when choosing to invest in an Investment Option.

4.1. Tanggram Seed

Investment return objective

The investment return objective for Tanggram Seed is to achieve a target return of **4.70%** per annum after fees and expenses but before any tax (or such higher amount as the Trustee may determine from time to time). There is no guarantee that the Investment Option will achieve this target return or meet its investment objective.

Investment strategy

Tanggram Seed will invest indirectly in a diversified portfolio of loan assets, and directly in cash and cash-like assets, with a view to generating a steady stream of income and preserving investor capital.

Specifically, Tanggram Seed invests in and will continue to invest in the following:

- (a) cash and cash-like assets, including highly liquid registered or unregistered cash management funds; and
- (b) other managed investment schemes, which could be either registered or unregistered with ASIC, which lend to third parties either on a secured or an unsecured basis. These schemes (or 'underlying funds') make a range of loans, include loans for real estate acquisitions, loans for business purposes (typically for small-to-medium enterprises) and personal loans. These underlying funds are typically known as mortgage schemes or credit funds.

Investor profile

Tanggram Seed is likely to be appropriate for consumers seeking capital preservation and income distribution over a short investment timeframe. For more information on the target market for the Fund, please see the target market determination available at <https://www.tanggram.com/support/target-market-determination>.

Minimum suggested timeframe

3 to 6 months

Target return

The Portfolio Manager is targeting a return of **4.70%** per annum after fees and expenses but before any tax (or such higher amount as the Trustee may determine from time to time). This is a target return only and is not a forecast or a guaranteed return.

The Manager may, in consultation with the Portfolio Manager, from time to time recommend to the Trustee to make a distribution to the investors in Tanggram Seed in excess of the target return, up to 6% per annum after fees and expenses but before any tax.

Subject to the approval from the Trustee, the Manager reserves the right to change the target return from time to time.

Any reduction in the target return will be made on 30 days' prior notice to investors.

Tanggram Seed – Strategic asset allocation

Category of asset	Strategic asset allocation*
Mortgage schemes	20-80%
Credit funds	0-60%
Cash and other cash-like assets	0-20%

*These are target allocations only and may change from time to time.

For information on the fees and costs, please see Section 8 of this PDS.

Risk level

Low

Minimum investment amounts

The minimum initial investment is \$1,000. The minimum additional investment is \$100. The minimum balance required in your investment account is \$500.

Minimum holding period

The minimum holding period for each unit held in Tanggram Seed is **3 months**. You will not be permitted to withdraw an investment until the minimum holding period has completed.

4.2. Tanggram Spark

Investment return objective

The investment return objective for Tanggram Spark is to achieve a target return of **5.55%** per annum after fees and expenses but before any tax (or such higher amount as the Trustee may determine from time to time). There is no guarantee that the Investment Option will achieve this target return or meet its investment objective.

Investment strategy

Tanggram Spark will invest indirectly in a diversified portfolio of loan assets, and directly in cash and cash-like assets, with a view to generating a steady stream of income and preserving investor capital.

Specifically, Tanggram Spark invests in and will continue to invest in the following:

- (a) cash and similar short-term cash-like investment assets, including highly liquid registered or unregistered cash management funds; and
- (b) other managed investment schemes, which could be either registered or unregistered with ASIC, which lend to third parties either on a secured or an unsecured basis. These schemes (or 'underlying funds') make a range of loans, include loans for real estate acquisitions, loans for business purposes (typically for small-to-medium enterprises) and personal loans. These underlying funds are typically known as mortgage schemes or credit funds.

Investor profile

Tanggram Spark is likely to be appropriate for consumers seeking capital preservation and income distribution over a short investment timeframe. For more information on the target

Target return

The Portfolio Manager is targeting a return of **5.55%** per annum after fees and expenses but before any tax (or such higher amount as the Trustee may determine from time to time). This is a target return only and is not a forecast or a guaranteed return.

The Manager may, in consultation with the Portfolio Manager, from time to time recommend to the Trustee to make a distribution to the investors in Tanggram Spark in excess of the target return, up to 8% per annum after fees and expenses but before any tax.

Subject to the approval from the Trustee, the Manager reserves the right to change the target return from time to time.

Any reduction in the target return will be made on 30 days' prior notice to investors.

Tanggram Spark – Strategic asset allocation

Category of asset	Strategic Asset allocation*
Mortgage schemes	20-60%
Credit funds	0-80%
Cash and other cash-like assets	0-20%

*These are target allocations only and may change from time to time.

For information on the fees and costs, please see Section 8 of this PDS.

market for the Fund, please see the target market determination available at <https://www.tanggram.com/support/target-market-determination>.

Minimum suggested timeframe

3 to 6 months

Risk level

Low

Minimum investment amounts

The minimum initial investment is \$5,000. The minimum additional investment is \$100. The minimum balance required in your investment account is \$500.

Minimum holding period

The minimum holding period for each unit held in Tanggram Spark is **6 months**. You will not be permitted to withdraw an investment until the minimum holding period has completed without the consent of the Trustee (on consultation with the Manager).

4.3. Investment management

Your investment will be managed on terms described in this PDS.

4.4 Authorised investments

The Constitution does not limit the types of assets which the Trustee may acquire for the Fund. Therefore, the Fund may acquire and hold (via the Custodian) a range of assets such as Australian listed bonds, notes and ETFs; Australian unlisted funds and Australian basic deposit products. The universe of authorised investments may change from time to time subject to approval from the Trustee.

Assets will only be acquired if the Manager (on behalf of the Trustee and in consultation with the Portfolio Manager) considers that such assets will likely assist with the execution of the investment strategy of the Fund as described in this PDS.

4.5 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 each month and rebalance where deviations from the strategic asset allocation meet certain thresholds.

4.6 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 to reflect the change in cash-flow on a net basis.

4.7 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 account for that asset as if it had been sold by one Investment Option to another in accordance with the asset valuation policy for the Fund.

4.8 Fund performance

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

4.9 Labour standards and environmental, social and ethical considerations

The Trustee, Tanggram and Cache do not take into consideration labour standards, or environmental, social or ethical considerations, in relation to the selection, retention or realisation of investments of the Fund.

The issuers of underlying funds (to which assets of which the Investment Options are referable) may or may not take into consideration labour standards, or environmental, social or ethical considerations.

Neither the Trustee, Cache nor Tanggram will be conducting any ongoing monitoring of the underlying funds' policy, standards, or processes in relation to labour standards, or environmental, social or ethical considerations, including in relation to sustainability or climate change, or the underlying funds' compliance with or monitoring of such matters.

4.10 Switching investments

Should there be more than one Investment Option available, you may then request to switch money from one Investment Option to another, and the Trustee will deem that to constitute both a request to withdraw from one Investment Option and an application to invest in another. Where the Trustee accepts that kind of request, units in the first Investment Option will be redeemed at their applicable unit price (less any applicable sell spread) and then the proceeds will be applied towards an application for units in the second Investment Option at their applicable unit price (plus any applicable buy spread). You may hold units in more than one Investment Option at a time.

4.11 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 fund has become illiquid or suspended from trading or

is about to be delisted. You will be notified of any changes to the Investment Options.

5. ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES

ASIC requires responsible entities of unlisted mortgage schemes in which retail investors invest to provide a statement addressing ASIC's eight benchmarks and eight disclosure principles as set out in Regulatory Guide 45 *Mortgage schemes: Improving disclosure for retail investors (RG 45)*.

The disclosure aims to help retail investors understand risks, assess the rewards being offered and decide whether an investment in the Fund is suitable for them.

Below are the Trustee's statements in respect of each of the benchmarks and disclosure principles in RG 45.

In accordance with the requirements of RG 45, these statements will be updated for any material changes that the Trustee becomes aware of, and in any event, at least every six months. The continuous disclosure notice will be included on Tanggram's website at <https://www.tanggram.com/support/product-disclosure-statement>.

The eight benchmarks are set out below, on the basis that the Fund is a 'feeder fund' into unlisted mortgage schemes in which retail investors will be invested indirectly. In relation to each benchmark, the Trustee states whether or not the benchmark is satisfied, and provide additional disclosures having regard to the eight disclosure principles regarding the benchmarks.

Since the Fund is a 'feeder fund' predominantly investing in other mortgage schemes, the disclosures relating to loan portfolio and diversification and valuation policies have been made on a look-through basis as they relate to investment in the mortgage schemes (but not the underlying funds which are not mortgage schemes but credit funds).

5.1. Benchmark 1 – Liquidity

Benchmark

For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:

(a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;

(b) are updated at least every three months and reflect any material changes; and

(c) are approved by the directors of the responsible entity at least every three months.

Compliance with the benchmark

The Fund does not meet this benchmark.

Explanation and further information

The Fund itself is not a pooled mortgage scheme but a feeder fund into other funds. Although the Trustee monitors and updates the Fund's cashflow estimates monthly, these are not approved by the directors of the Trustee.

The Fund predominantly invests in other mortgage schemes, and the Fund will manage its cash flow needs by redeeming units in the schemes and maintaining sufficient cash assets to meet its expenses, liabilities and other cash flow needs.

In relation to the Fund's investments in pooled mortgage schemes, the Fund may invest in a pooled mortgage scheme that may not satisfy this benchmark.

The Fund has some level of liquidity because it invests across a number of underlying funds (which in turn have diversified investments) but also in cash and cash-like assets. On a look-through basis of the underlying funds in which the referable assets of the Tanggram Seed and Tanggram Spark Investment Options are invested, a significant proportion of funds (between 30% to 45%) is held within an underlying fund with a monthly redemption cycle. This means that under normal market conditions, the Fund is expected to be able to readily fund any expenses, liabilities and redemptions on a monthly basis.

The core risk to the Fund's liquidity is the risk that the underlying funds take longer than the withdrawal timeframes disclosed in the disclosure documents for those funds to pay redemptions in those funds.

5.2. Benchmark 2 - Scheme borrowing

Benchmark

The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.

Compliance with the benchmark

The Fund meets this benchmark.

Explanation and further information

The Trustee does not have current borrowings and does not intend to borrow on behalf of the Fund.

Under the Constitution, the Trustee may borrow against the Fund's assets on terms and conditions acceptable to the Trustee. However, at this time there are no credit facilities in place utilising the assets of the Fund, nor is there any intention to borrow on behalf of the Fund. The Trustee reserves the right to establish a credit facility to assist in managing liquidity. If this were to occur, borrowings would not be used to fund distributions or satisfy redemption requests.

Some underlying funds may borrow for the purposes of managing liquidity in those funds. On a look-through basis of the underlying funds in which the assets referable to the Tanggram Seed and Tanggram Spark Investment Options are invested, a significant proportion of funds (between 30% to 50%) is held within an underlying fund where credit facilities have been established to support the underlying fund's short term liquidity requirements. The purpose of the credit facility is strictly for liquidity management such that the amount of cash held within the underlying fund can be minimised. A large holding in cash causes a potential dilution of expected returns as the cash is no longer invested in assets which are expected to return higher yields.

5.3. Benchmark 3 Loan portfolio and diversification

Benchmark

For a pooled mortgage scheme:

- (a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;
- (b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;
- (c) the scheme has no single borrower who exceeds 5% of the scheme assets; and
- (d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).

Compliance with the benchmark

The Fund does not meet this benchmark.

Explanation and further information

The Fund itself is not a pooled mortgage scheme but a feeder fund into other funds. Therefore, this disclosure is prepared on a look-through basis. While the diversification of the loan portfolios of the underlying funds which are mortgage schemes is one factor considered by the Manager, it is not a requirement that the underlying funds in which the Fund invests meet this disclosure benchmark nor is it the intention of the Manager to restrict its investments to funds that meet this benchmark.

One of the underlying funds which is a mortgage scheme does not meet this benchmark, since one single loan or one single borrower exceeds 5% of the scheme's total loan portfolio.

Investors should note that, given the Fund is a feeder fund, it is difficult for the Trustee to provide a look-through of the underlying mortgages to assess the concentration risk of the overall portfolio.

The disclosures of the underlying funds indicate that the origination of the mortgages are diversified by mortgage type (eg. commercial, residential, etc), mortgage purpose (eg. development, construction, acquisition, etc), loan size, borrower type (eg. commercial developer, etc) and geographic region.

In addition, the underlying investments may specify an exposure limit to a single mortgage (eg. maximum of 20%) once the fund under management reaches a certain amount.

The disclosures of the underlying funds also indicate that each of the mortgages is secured by a registered first mortgage.

5.4. Benchmark 4 – Related party transactions

Benchmark

The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.

Compliance with the benchmark

The Fund meets this benchmark.

Explanation and further information

The Trustee does not invest the Fund's assets in loans to related parties of the Trustee, the Manager or the Portfolio Manager, or to loans

to the trustees and fund managers of the underlying funds. None of the trustees or fund managers of the underlying funds are related to the Trustee, the Manager or the Portfolio Manager.

On a look-through basis, Tanggram Seed and Tanggram Spark Investment Options may invest in underlying funds where related party transactions are allowed. For example, a credit facility of an underlying fund could be set up with a related party to support the liquidity management of that underlying fund.

5.5. Benchmark 5 - Valuation policy

Benchmark

In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:

- (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;
- (b) a valuer to be independent;
- (c) procedures to be followed for dealing with any conflict of interest;
- (d) the rotation and diversity of valuers;
- (e) in relation to security property for a loan, an independent valuation to be obtained:
 - (i) before the issue of a loan and on renewal:
 - (A) for development property, on both an 'as is' and 'as if complete' basis; and
 - (B) for all other property, on an 'as is' basis; and
 - (ii) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.

Compliance with the benchmark

The Fund does not meet this benchmark.

Explanation and further information

This disclosure is prepared on a look-through basis. The underlying funds which are mortgage schemes in which the Fund invests

do not meet this benchmark as one of the underlying funds does not require, in all cases, an independent valuation upon loan renewal. As at the date of this PDS, in all other respects each underlying fund which is a mortgage scheme meets the benchmark.

On a look-through basis, all the underlying funds in which the Fund invests have a structured valuation policy for its underlying mortgages.

Some of these policies include:

- a) utilising valuers who are independent and accredited by a professional body;
- b) restricting the number of properties a single valuer can assess;
- c) requiring a secondary valuation which utilises a different valuation methodology to support the primary valuation; and
- d) the time at which the valuation is required to be conducted (eg. loan origination and renewal).

Each underlying fund which is a mortgage scheme has a valuation policy. This valuation policy sets out the processes the relevant trustee or fund manager employs to form a view on the valuation of the security property, the frequency of the valuations of the security property, and how it deals with any material inconsistencies between any current valuation over security property and the underlying fund's valuation policy. The valuation policies of these underlying funds are available from the trustees or fund managers of the underlying funds. If you would like a digital copy of these valuation policies, please contact the Portfolio Manager.

The valuation policy for the Fund can be obtained by contacting the Portfolio Manager.

5.6. Benchmark 6 – Lending principles – Loan-to-valuation ratios

Benchmark

If the scheme directly holds mortgage assets:

- (a) where the loan relates to property development - funds are provided to the borrower in stages based on independent evidence of the progress of the development;
- (b) where the loan relates to property development - the scheme does not lend more than 70% on the basis of the latest 'as

if complete' valuation of property over which security is provided; and

(c) in all other cases - the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.

Compliance with the benchmark

The Fund does not meet this benchmark.

Explanation and further information

The Fund itself does not directly hold mortgage assets. Therefore, this disclosure is prepared on a look-through basis. The underlying funds which are mortgage schemes in which the Fund invests do not meet this benchmark as one of the underlying funds may lend more than 80% of the 'as-is' valuation when relying upon the 'project related site value' for a non-property development loan.

Having regard to the portfolios of the underlying funds which are mortgage schemes, on a look-through basis, all the underlying funds in which the referable assets of Tanggram Seed and Tanggram Spark Investment Options are invested have a strict maximum loan-to-valuation ratio requirement of between 50% to 80% on the basis of the latest valuation of the relevant property.

Note that it is possible for these maximum loan-to-valuation ratio limits to be exceeded in exceptional circumstances, for example, if a the borrower under a construction loan defaults and further funds are required to be loaned in order to complete the development.

Where a loan of an underlying fund which is a mortgage scheme is for property development purposes, the funds are provided to the borrower in stages based on independent evidence of the progress of the development, and the underlying fund may lend up to 75% on the basis of the latest 'as if complete' valuation of property over which security is provided.

5.7. Benchmark 7 – Distribution practices

Benchmark

The responsible entity will not pay current distributions from scheme borrowings.

Compliance with the benchmark

The Fund meets this benchmark.

Explanation and further information

The Trustee does not, and does not intend to, pay distributions from scheme borrowings.

Distributions to investors are paid from distributions paid from the Fund's investments in the underlying funds and other Fund assets, after the Fund's costs and expenses are paid. Distributions are expected to be paid monthly in arrears. The target returns for each Investment Option described in this PDS are not guaranteed, and are subject to the risks disclosed in this PDS. The key risks affecting the target returns include:

- (a) the risk that that borrowers of loans within the underlying funds fail to comply with the terms of those loans, or that counterparties to the Fund or underlying funds default on their obligations;
- (b) the risks associated with enforcing a security over a mortgage-backed loan;
- (c) the risks associated with the poor performance of an underlying fund or significant changes to the management or structure of the underlying fund;
- (d) the risks associated with investing in a limited number of underlying funds and the risks of the assets of the underlying funds not being sufficiently diversified; and
- (e) the risk that Cache or Tanggram, as manager and portfolio manager respectively, cannot or do not successfully implement the investment strategy for the Fund.

5.8. Benchmark 8 - Withdrawal arrangements

Benchmark

For liquid schemes:

- (a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;
- (b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and
- (c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:

(i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or

(ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.

For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.

Compliance with the Benchmark

The Fund does not meet this benchmark.

Explanation and further information

The investment strategy of the Fund is to invest in a portfolio of loan assets through its investments across a number of underlying funds, which include mortgage schemes and credit funds. The Fund also invests in cash and cash-like assets. This investment strategy is intended to provide a certain level of liquidity for investors to facilitate withdrawal requests.

The Fund's constitution provides for redemption payments (in respect of withdrawal requests which have been accepted) to be made within 12 months of the last business day of the month following the day on which the withdrawal request was made. This period is longer than the 90 day period prescribed in this benchmark.

Given the Trustee reasonably expects that Fund assets invested in underlying funds can be realised for their market value within this 12 month period for satisfying withdrawal requests, and given the cash and cash-like assets of the Fund, the Trustee considers the Fund to be 'liquid' under the Corporations Act. However, this benchmark is also not met because the Trustee does not reasonably

expect that 80% or more of the Fund assets could be realised for their market value within 10 business days.

While the Fund intends to make redemption payments to investors within 15 business days of the end of the month in which a request is received, it will require flexibility to extend this period given that this flexibility also exists for the trustees of the Fund's underlying funds. This period may also be required to be extended where an underlying fund becomes illiquid or there are other reasons (such as significant defaults by borrowers) which may affect the distributions from the underlying funds. However, it is anticipated that, where withdrawal requests are accepted, the Trustee will pay withdrawal requests within the 12 month period described above (although the Constitution permits an extension of the period to satisfy withdrawal requests if, for example, the Trustee does not consider it to be in the best interests of the unit holders as a whole to realise sufficient Fund assets to satisfy the withdrawal request).

Where the Fund is not liquid within the meaning of that term under the Corporations Act, withdrawals will only be permitted where a withdrawal offer is made in accordance with the requirements of the Corporations Act and the Constitution. The Trustee is not obliged to make a withdrawal offer.

The Fund is an open-ended managed investment scheme and therefore there is no fixed term for the holding of units.

More information about how to withdraw from the Fund is set out in section 3.10 of this PDS.

The non-liquid scheme requirement of this benchmark is not applicable as the Fund is a 'liquid' within the meaning of that term under the Corporations Act.

6. BENEFITS OF INVESTING IN THE FUND

Tanggram considers the benefits of investing in the Fund to be:

6.1. Easy access and control

The App is designed to make investing simple and fun. The Tanggram Investment Fund is offered through the Tanggram App with an easy application process and dashboard so investors can monitor their investment.

6.2. Low barrier to entry

The Fund is a registered managed investment scheme structured as a unit trust. It offers investors the opportunity to invest indirectly in a portfolio of loan assets (being credit and mortgage schemes) with a relatively low minimum investment amount for each investor.

6.3. Distributions

The Fund provides investors with different Investment Options that aim to deliver regular distributions from the Fund.

6.4. No switching fee

The Fund does not charge switching fees if Investors want to change their selected Investment Option.

6.5. No entry or exit fees

There are no fees for making contributions into or withdrawals from the Tanggram Investment Fund. However, the unit price may include a buy or sell spread where considered appropriate by the Trustee, depending on the circumstances – see Section 8 for more details.

6.6. Regular investment opportunities

The Fund is based on the principle that regular investment may potentially contribute to increased wealth over time. You can contribute to your investment frequently by setting automatic recurring deposits via direct debit (if available). Regular contributions can add up to help you achieve your goals over time.

As set out above, it is important that you also read and consider the risks associated with an investment in the Fund before deciding whether to invest. For example, distributions, capital preservation or capital returns are not guaranteed. See Section 7 for more information regarding the risks of an investment in the Fund.

7. RISKS OF INVESTING IN THE FUND

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns in the Fund are not guaranteed. The value of investments will vary, as will investment returns. Future returns may differ from past returns and investors may lose some or all of their money. Laws affecting registered managed investment schemes may also change in the future.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment timeframe, risk tolerance and where other parts of the investor's wealth are invested.

7.1. Risk profiles

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

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

The risk profile assigned to both Tanggram Seed and Tanggram Spark Investment Options is **Low Risk**.

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

7.2. Significant risks

The significant risks of investing in the Investment Options in the Fund include but are not limited to:

- a. **Performance risk:** the risk that your investment in the Fund does not perform as you expect or meet your financial requirements. There is no guarantee that any investment strategy will be managed successfully.
- b. **Market risk:** the risk of investment losses resulting from poor market conditions or changes to the market price of assets held by the Fund.
- c. **Liquidity risk:** the risk that the Fund has insufficient liquid assets to pay a withdrawal request in a timely manner.
- d. **Interest rate risk:** the risk that the capital value or income of a security may be adversely affected when interest rates rise or fall.
- e. **Default risk:** the risk that borrowers of loans within the underlying funds fail to comply with the terms of those loans, or that counterparties to the Fund or underlying funds default on their obligations. In the event that a borrower of a loan within an underlying fund defaults on said loan and recovery action is undertaken, the Fund may not receive all income distributions for that investment, affecting the rate of return achieved. In addition, the value of the loan or other fixed income investment might become impaired. Further, there will be no rights to recover the debt by seeking to take control or sell any real property of the Manager or the underlying fund.
- f. **Lending risks:** risks associated with

investing in loans (via the underlying funds), including:

- i. risks associated with lending to construction, project or development companies (which may be higher than lending to persons that own land without intending to develop it);
 - ii. risks associated with second or subsequent mortgages (which may be higher than lending to persons that do not have other debts);
 - iii. risks associated with loans that are secured by vacant land and properties that are not able to generate an income, particularly where a default occurs as there is no income being generated or able to be generated to assist in rectifying the default; and
 - iv. risks associated with loans that are supported by less documentation or information regarding the borrower.
- g. **Unsecured lending risks:** the underlying funds may make loans which are unsecured. If the borrower defaults on those loans there will be no rights to recover the debt by seeking to take control of or sell any real property of the borrower. Depending on the terms of the loans, any rights to enforce against the borrower will be entirely subordinated to the rights of any senior lenders who may have security over particular assets of the borrower.
- h. **Junior lender risk:** if the underlying fund is a mezzanine lender then its real property mortgage (if any) will rank in behind a senior lender's mortgage. In the event of a default by the borrower the amount owing under the loan will be affected by the actions of the senior lender.
- i. **Security risk:** in the event of default, the underlying fund will take all necessary action to remedy the default and recover capital and income outstanding under the relevant loan made by the underlying fund or

underlying investment by seeking to enforce relevant securities provided. These securities may include mortgages, guarantees, charges or other forms of security interests. However there is a risk that the securities provided to the underlying fund by the borrower may not be enforceable or sufficient on a sale to fully repay all outstanding capital and income. In particular, it is possible that:

- i. the value of the security may fall during the term of the relevant loan;
 - ii. a security may be released for the purposes of obtaining senior debt funding or development funding for projects;
 - iii. guarantees and other forms of security interests provided may not carry sufficient value due to the lack of assets in the guaranteeing persons or entities; and
 - iv. security interests may not be enforceable due to priority arrangements entered into with other lenders to the borrower.
- j. **Security enforcement risks:** there are risks, in respect of a security over real estate given in respect of a loan entered into by the underlying fund, that the security:
- i. may not be enforceable at law;
 - ii. taking recovery or enforcement action may involve protracted legal processes;
 - iii. selling a security property may take a significant amount of time, including on account of poor market conditions;
 - iv. selling a security property results in additional costs being incurred relating to the sale, such as real estate agent's fees, legal fees and potentially also taxes, which in turn reduce the amount that could be distributed to the Fund; or

- v. the net sale proceeds received in respect of the enforcement of a security would not be sufficient to cover capital and income repayment obligations to the underlying fund under the loan.
- k. **Borrowing risk:** the risk that the Fund has a greater exposure to assets than the value of the Fund due to borrowing or gearing. While the Fund will not have any borrowings, the underlying funds may borrow for the purposes of providing short term liquidity.
- l. **Fund risk:** the risk that the Fund terminates, its fees or other terms change or the Trustee, Cache, Tanggram or another service provider changes.
- m. **Valuation risk:** the risk that the assets are incorrectly valued so that the amount received on redemption or distribution is less than would otherwise apply.
- n. **Real estate performance risk:** there is a risk that the real estate over which the underlying fund has a mortgage may decrease in value.
- o. **Underlying fund risk:** the risk that:
 - i. an underlying fund terminates;
 - ii. the investments of an underlying fund becomes illiquid;
 - iii. the fees or other terms of an underlying fund change;
 - iv. the trustees or fund managers of an underlying funds fails to identify and adequately manage investment risks in the underlying fund's portfolio; or
 - v. the fund manager or other key service provider changes in respect of an underlying fund.
- p. **Concentration risk:** the risks associated with investing in a limited number of underlying funds and the risks of the assets of the underlying funds not being sufficiently diversified.
- q. **Authorisation risk:** the risk that your investment is accessed by another person that pretends to be you (for example, by using your mobile device or password).
- r. **Operational risk:** the risk that Cache's, the Trustee's or Tanggram's, or a service provider's operational processes and procedures malfunction or fail.
- s. **Data security risk:** the risk that information systems fail, are infiltrated or corrupted.
- t. **Regulatory risk:** the risk that the laws or regulations that impact the Fund (or its assets) change in Australia or overseas, including environmental or climate-related laws.
- u. **Tax risk:** the risk that tax laws or regulations that impact the Fund (or its assets) change. 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.
- v. **Technology risk:** the risks associated with investing in a digital investment product, such as the risk of software errors and bugs occurring. Technology risks may result in, for example:
 - i. a transaction request (such as a withdrawal request) you submit in the App not being received (and therefore not being processed); or
 - ii. your balance, transaction history or other information in relation to your investment in the Fund not being presented accurately on the App.
- w. **Multi-class risk:** the risk that the activities of one Investment Option impacts another Investment Option. For example, where the Trustee exercises its right of indemnity from the Fund in relation to costs and expenses that relate only to one Investment Option. Each Investment Option is not a separate trust but only a class of units in the Fund.
- x. **Manager risk:** the risk that Cache or Tanggram, as fund manager and

portfolio manager respectively, cannot or do 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 Tanggram's authorisation to provide financial services is revoked.

This list is not comprehensive. Additional risks may apply. The Trustee recommends you seek financial advice from a professional financial advisors before investing.

8. FEES AND OTHER COSTS

This section sets out the fees and other costs that may be attributed to the Fund. You should read all information about fees and costs carefully as it is important to understand their impact on your investment.

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 investment 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.

8.1. 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

Tanggram Investment Fund – All Investment Options

Type of fee or cost	Amount ³	How and when paid
Ongoing annual fees and costs		
<i>Management fees and costs¹</i>	4.30% per annum of the net asset value of the Fund for Tanggram Seed.	This management fee component of management fees and costs accrued monthly and payable to the Trustee monthly in arrears out of the Fund's assets within 7 days of the end of each month. This component is apportioned pro rata across all Investment Options based on the respective gross asset value of each Investment Option.
The fees and costs for managing your investment	4.70% per annum of the net asset value of the Fund for Tanggram Spark.	
		The costs component of management fees and costs may be claimed on a monthly basis, and is deducted from the assets referable to the Investment Option on at least a monthly basis.

The indirect costs are incurred in the underlying funds and will be reflected in the unit price as and when they incur.

<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Nil	If payable, the performance fee will be calculated and paid from the assets referable to the Investment Option to the Portfolio Manager each month in arrears.
<i>Transaction costs</i> ² The costs incurred by the scheme when buying or selling assets	Nil	Not applicable
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	Not applicable	Not applicable.
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ⁴	The buy spread will be applied to the issue price and paid into the Fund when you invest into 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	Not applicable	Not applicable.
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable.
<i>Switching fee</i> ⁵ The fee for changing investment options	Not applicable	Not applicable.

1. Management fees and costs comprise the Trustee's fees, indirect costs and recoverable expenses. The costs component of management fees and costs for each Investment Option is estimated based on the actual costs incurred for the previous financial year. The indirect costs component of the management fees and costs depend on the Investment Option and is estimated to be 2.67% per annum of the net asset value of the Fund for the Tanggram Seed Investment Option and to 3.08% per annum of the net asset value of the Fund for the Tanggram Spark Investment Option. The estimate of the Trustee's fees reflects the typical fees charged by the Trustee's for the current financial year. For more information, please see 'Management fees and costs' under the heading 'Additional explanation of fees

and costs' below.

2. The transaction costs reflect the actual costs incurred for the previous financial year, that are not recovered by the buy/sell spread. For more information, please see 'Transaction costs' under the heading 'Additional explanation of fees and costs' below.
3. 'Nil' means there is an entitlement under the Constitution to charge these fees or costs but the Trustee has elected not to charge it, except that in relation to the performance fee that fee is chargeable not under the Constitution but rather under an agreement between the Manager and Portfolio Manager. 'Not applicable' means there is no entitlement for the Trustee to charge this fee.
4. A buy/sell spread is currently not charged in respect of each Investment Option. For more information, please see 'Transaction costs' under the heading 'Additional explanation of fees and costs' below.
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 a buy/sell spread associated with the process of switching from one Investment Option to another. For more information, please see 'Transaction costs' under the heading 'Additional explanation of fees and costs' below.

Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs for the balanced investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Tanggram Spark ¹		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil ²	For every additional \$5,000 you put in, you will be charged \$0 .
PLUS Management fees and costs	4.70% p.a. of the net asset value of the Fund	And , for every \$50,000 you have in the Tanggram Spark Investment Option you will be charged or have deducted from your investment \$2,352.35 each year.
PLUS Performance fees	Nil ²	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of Tanggram Spark		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: \$2,352.35 What it costs you will depend on the investment option you choose and the fees you negotiate.

¹ This example assumes a constant investment of \$50,000 throughout the year and the \$5,000 investment occurs at the end of the year. This assumption is used for calculating the example of annual fees and costs for **Tanggram Spark** Investment Option only. For more information on how you can invest in the Fund, please see section 3.4 above 'Making an investment'.

² 'Nil' means there is an entitlement under the Constitution but the Trustee has elected not to charge it, except that in relation to the performance fee that fee is chargeable not under the Constitution but rather under an agreement between the Manager and Portfolio Manager. 'Not applicable' means there is no entitlement for the Trustee to charge this fee.

There is a calculator provided by ASIC on its Moneysmart website (www.moneysmart.gov.au) that you can use to calculate the effect of fees and costs on your balance.

8.2. 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 show in the Example of annual fees and costs in subsection below.

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
Tanggram Seed	\$2,148.43
Tanggram Spark	\$2,352.35

8.3. Additional explanation of fees and costs

8.3.1 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 the Trustee's fees, indirect costs and recoverable expenses.

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

Trustee's fee

The Trustee's fees are paid to the Trustee and is charged for operating the Fund and making it available to investors.

Under the Constitution, the Trustee is entitled to charge the greater of: (a) \$60,000 per annum; and (b) 0.3% per annum of the gross asset value of the Fund up to \$100 million plus 0.05% per annum of the gross asset value of the Fund greater than \$100 million but less than \$200 million plus 0.03% per annum of the gross asset value of the Fund greater than \$200 million.

These fees will be calculated based on the gross asset value of the Fund as at the end of each calendar month, payable in arrears, within 14 days of the end of each month.

The Trustee may pass some or all of the Trustee's fees to the Manager or Portfolio Manager.

The Trustee's fees are estimated and reflected in the unit price for each Investment Option in the Fund.

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 transactional and operational costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

The indirect costs are estimated to be 2.67% p.a. of the net asset value of the Fund for Tanggram Seed and 3.08% p.a. of the net asset value of the Fund for Tanggram Spark.

Recoverable expenses

(a) General

The recoverable expenses represent the expenses incurred in the operation of the Fund. The 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 audit and custodian costs, banking fees such as direct debit fees and any costs associated with updating and maintaining this PDS (other than fund administration costs and transaction costs described below). These expenses normally incurred will be recovered from the Fund's assets.

The recoverable expenses component of the management fees and costs in the 'Fees and costs summary' for Tanggram Seed is 0.70% of the net asset value of the Fund and for Tanggram Spark is 0.70% of the net asset value of the Fund, which reflects the actual amount incurred for the financial year ending 30 June 2023. The recoverable expenses are deducted from the assets referable to each Investment Option on at least a monthly basis. It is important to note that this estimate is based on the net asset value of the Fund being \$8,141,851.00 based on the information for the financial year ending 30 June 2023. The actual expenses of the Fund for this financial year or subsequent financial years may be higher or lower.

(b) Fund administration fees

The recoverable expenses estimated in the 'Fees and costs summary' includes the certain fund administration costs paid to the current administration manager, Vasco Fund Services Pty Limited (ACN 610 512 331) (**Vasco**), which was engaged prior to the appointment of Cache as the Fund's administrator. In accordance with the contract between the Vasco and the Trustee, Vasco is entitled to a fee of up to 0.10% of the gross asset value of the Fund subject to a current minimum of \$50,000 per annum (plus GST) where the number of investors is between 251 and 1,000. An additional \$10,000 per annum is charged for administration of a second investment option

with segregated assets. An additional fee of \$10,000 (plus GST) was charged from 1 March 2020 as per an arrangement to commence processing of applications on a weekly basis. The administration fees are subject to an increase of up to 5% p.a. on 1 January.

The administration fees for the Fund are apportioned pro rata across all Investment Options based on the respective gross asset value of each Investment Option.

The contract between the Trustee and Vasco Fund to provide fund services will be terminated in the first quarter of 2024 (on or around 29 February 2024). The Trustee expects that, on and from the termination of the contract with Vasco, the cessation of the administration fees currently payable to Vasco will reduce the amount of the management fees and costs disclosed in the 'Fees and costs summary' by 0.56% with respect to each Investment Option.

(c) 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 Constitution, changing the trustee of the Fund, preparing a new Product Disclosure Statement, or defending or pursuing legal proceedings. Any such expenses will be recovered from the Fund and reflected in its unit price.

With respect to each Investment Option, the Trustee, as at the date of this PDS, reasonably estimates that the extraordinary expenses will be nil, based on the extraordinary expenses incurred the previous financial year.

8.3.2 Performance fees

The Trustee intends to pay, out of the assets of the Fund, the Portfolio Manager a performance fee equal to all returns (net of other fees and expenses but before any tax) in excess of the target return for each Investment Option, paid monthly in arrears.

The Fund has not recorded a return in excess of the target return for either Investment Option since its inception in November 2019. Therefore, the Fund has not incurred a performance fee and the average

performance fee incurred as set out in the 'Fees and costs summary' is nil.

The performance fee for the current financial year is estimated to be nil, based on the average performance fee charged by Tanggram Spark and Tanggram Seed, and it is expected that a performance fee will not be payable in the near future in respect of any Investment Option.

There is no ability for the Trustee to claw back any historical performance fee paid to the Portfolio Manager in respect of any underperformance. Past performance is not a reliable indicator of future performance and the actual performance fee paid in respect of each Investment Option (if any) will be based on the performance of the each Investment Option over the relevant period.

8.3.3 Transaction costs

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

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 and are not included in the management fees and costs.

A buy spread will be applied to the issue 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 Tanggram. The Trustee does not currently charge a buy spread or a sell spread.

The Trustee, as at the date of this PDS, reasonably estimates that the Fund's actual total gross transaction costs will be nil, based on the transaction costs incurred in the previous financial year.

The transaction costs (if any) shown in the 'Fees and costs summary' are net of any amount recovered by the buy/sell spread.

8.3.4 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.

8.3.5 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 this 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 input credits or 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.

8.3.6 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 the Trustee's fees on a one-off or ongoing basis.

8.3.7 Changes to fees and costs

The Trustee has the power to change its fee structure without your consent, subject to not charging more than the maximum fees described in the Constitution, however the Trustee does not currently intend to do so. Fees and costs may also vary over time due to changes to the Fund, changing economic conditions or changes in regulation. Investors will be provided with 30 days' prior notice of any proposed increase to fees and charges.

9. TAXATION INFORMATION

9.1. General

The taxation information in this PDS is provided for general information only. This PDS assumes that you are an Australian resident for income tax purposes, 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.

Investing in a managed investment scheme is likely to have taxation consequences. The taxation information in this PDS has been prepared based on taxation laws and guidance from the Australian Taxation Office (**ATO**) as at the date of this PDS. These laws can change at any time, which may have adverse taxation consequences.

Each investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund, including any change in the taxation implications arising during the term of their investment. It is recommended that investors seek their own professional advice, specific to their circumstances, of the taxation implications of investing in the Fund.

9.2. AUSTRALIAN TAXATION TREATMENT OF THE FUND

9.2.1 General

The income tax treatment of the Fund and its investors 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, irrespective of whether income or capital is distributed 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 an AMIT. Having regard to all relevant matters, the Trustee may make the election for the Fund to enter into the AMIT provisions, if it so qualifies.

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 will apply (subject to the public trading trust provisions).

9.2.2 MIT capital account election

If the Fund qualifies as a MIT for income tax purposes, the Trustee will be eligible to make an irrevocable election to apply the Capital Gains Tax (**CGT**) provisions as the primary code for assessing gains and losses on the disposal of certain assets by the Fund, including for example units. In that instance the Fund should be deemed to hold these assets on capital account and eligible investors may be entitled to receive the benefit of the CGT discount on distributions of capital gains (the requirements for accessing the CGT discount concession are discussed below).

9.2.3 AMIT provisions

Where the AMIT regime is available and elected into by the Fund for an income year (being 30 June), the following implications should apply.

9.2.4 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. Where the determined trust components are attributed on a fair and reasonable basis and in accordance with the constituent documents, the Fund itself will not be subject to income tax and the tax, if any, will be payable by the investors.

9.2.5 Unders and/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/or overs may arise. Unders and/or overs will generally be carried forward and adjusted in the year of discovery.

9.2.6 CGT cost base adjustments

The amount paid or property given to acquire the units, together with any incidental costs incurred, will form the CGT cost base of units held by an investor.

Where a distribution made is less than (or more than) certain components attributed to

investors, then the CGT cost base of an investor's units may be increased (or decreased). Details of any CGT cost base adjustment will be included on an investor's annual tax statement, referred to as an AMIT Member Annual (**AMMA**) Statement.

9.2.7 Large redemptions

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

9.2.8 Multi-class AMITs

A choice is available to elect to treat separate classes of units as separate AMITs. Having regard to all relevant matters, the Trustee may make the AMIT multi-class election (if applicable) 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 option(s) for income tax purposes.

9.2.9 Penalties

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

9.2.10 If the AMIT provisions do not apply to the Fund

On the basis the Fund is unlikely to qualify as a public trading trust (discussed below), 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.

9.2.11 Multi-class non-AMITs

A multi-class non-AMIT is treated as a single taxpayer. As the classes are not treated separately for income 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. As such, gains or losses of one investment option may affect the gains or losses of other investment option(s) for income tax purposes.

Other taxation considerations

9.2.12 Public trading trust rules

If the Fund qualifies as a public trading trust, it will be taxed as a corporate entity at the corporate income tax rate. Broadly, a unit trust qualifies as a public trading trust for an income year, if for that income year:

- a) it is a public unit trust, which is determined based on the number of unitholders, the manner in which the units are offered or if the units are listed for quotation on a stock exchange; and
- b) it is a trading trust, which is determined based on whether (i) the unit trust itself carries on a trading business, or (ii) it controls, or was able to control, the affairs or operations of another person in respect of that person carrying on a trading business. Generally, a trading business is an activity which does not consist wholly of "eligible investment business". Eligible investment business activities include passive activities, such as investing in or trading in bonds, units in trusts, and other financial securities and arrangements.

The Fund's investment strategy is to derive income only from "eligible investment businesses", and therefore it is unlikely that the Fund would qualify as a public trading trust for income tax purposes.

9.2.13 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 income tax purposes on a compounding accruals basis (where the gains/losses are sufficiently certain) rather than on a realisation basis.

9.2.14 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 its investors. However, provided that the requirements of the trust loss rules are satisfied, these losses may be carried forward and offset against future taxable income or capital gains respectively.

Where the AMIT multi-class election is made, the losses will be quarantined for each class and cannot be offset against taxable income derived by other classes.

9.3. AUSTRALIAN TAXATION TREATMENT OF THE INVESTORS

9.3.1 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. The Trustee will seek to attribute taxable income of the Fund having regard to the units held by investors, entitlements to income and capital or new units issued to such investors during the relevant period.

Under the AMIT provisions, it is possible that an investor may be taxable on their share of the Fund’s taxable income prior to receiving distributions from the Fund.

9.3.2 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 to which they are presently entitled (even if reinvested). The Fund’s investors will be required to include their share of taxable income in their tax return.

9.3.3 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 paid 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. FITOs that are not utilised cannot be carried forward to a future income year.

9.3.4 Capital gains

An investor’s share of taxable income of the Fund may include an amount that consists of 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 available capital loss, individuals, trusts, and complying superannuation fund investors may be entitled to discount that capital gain by 50% for individuals and trusts and 33⅓% for complying superannuation funds in

determining the net capital gain to be included in their taxable income.

9.3.5 Disposal of units

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

Where an investor holds their units in the Fund on capital account, a capital gain or capital loss may arise on the disposal of units and each investor should calculate their capital gain or capital loss according to their own particular facts and circumstances. Proceeds on disposal may include a component of attributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33⅓% 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 for corporate investors.

Investors are generally not entitled to sell or transfer units to other persons without the Trustee’s approval. However, if an investor does obtain approval and sells or transfers units to another person, the investor may be liable for CGT on any gains realised on that disposal of units.

Any capital losses arising from the disposal of units may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years subject to satisfying the relevant tax loss recoupment rules, but may not be offset against ordinary income.

9.3.6 Non-assessable distribution payments – AMIT

Under the AMIT provisions, an investor’s cost base in their units held is increased where attributable income (inclusive of any tax-free component of a discount capital gain) and non-assessable non-exempt income is allocated to them. 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 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.

9.3.7 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 for CGT purposes. A capital gain will arise where those tax-deferred distributions exceed the cost base of the units.

9.4. OTHER CONSIDERATIONS

9.4.1 Goods and Services Tax (GST)

The Fund is 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 incur GST (at the rate of 10%). The recovery of GST will be dependent on the precise nature of the expenses incurred and the connection with domestic or international investments. The GST and expected recovery of ITCs or RITCs relating to fees and expenses are incorporated in the management fees and costs for the Fund.

9.4.2 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.

9.4.3 Tax File Number (TFN) and Australian Business Number (ABN)

You will be asked to provide your TFN or ABN when opening an investment account in the Fund. You are not required to provide it. However, if you do not provide your TFN or ABN, the Trustee may be required to deduct tax from your investment at the top marginal rate, plus levies, on gross payments including distributions of income. You may be able to claim a credit in your tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

9.4.4 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.

9.4.5 Annual Investment Income Report (AIIR)

Where required, the Fund will lodge annually an AIIR to the ATO containing investor identity details and details of unit disposals and investment income paid or attributed to investors for the relevant income year.

9.5. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) / COMMON REPORTING STANDARD (CRS)

As a result of the signing of the intergovernmental agreement between the Australian and the United States (US) governments in relation to compliance with the Foreign Account Tax Compliance Act, a US statute, the Fund is required to collect and report to the ATO information about investors who are US tax residents or entities that invest on behalf of US tax residents. This information may be forwarded by the ATO onto the US Internal Revenue Service. To assist the Trustee in complying with these obligations, the Trustee may request certain information from you. The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. Under CRS, the Fund may need to collect and report financial account information of non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

10. OTHER INFORMATION

10.1.If your details change

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

10.2.Tanggram will keep in touch

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

- a) distribution statements on the provision of any distributions;
- b) by showing your investment account balance and transaction history on the App;
- c) by providing you a transaction statement each year; and
- d) by providing you an annual tax statement (where the Fund is an AMIT, these statements will be AMMA statements).

The above information will be sent to you digitally.

The Fund's annual financial statement will also be made available digitally.

10.3.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.

Tanggram is committed to respecting the privacy of your personal information and its 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 Tanggram doesn't collect this information, it may not be able to provide its services to you.

Tanggram collects personal information directly from you, when you ask Tanggram to provide you information, through the 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 in respect of the Fund, including any of the custodians, auditor, taxation adviser, legal adviser and information technology service provider. Tanggram 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.

10.4.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 Cache needs to do at the time you first make an investment in the Fund), Cache may need to obtain additional information from you, including documentation and certifications.

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

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

10.5.The Trustee needs to know you

Under the application of laws relating to anti-money laundering and counter-terrorism financing, the Trustee cannot 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. The Trustee also has on-going obligations under such laws, including undertaking on-going investor due diligence and monitoring investor transactions.

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 are unable to verify your identity or if you don't provide the information Cache reasonably requests within an acceptable

time frame, your application for units will not be accepted and where permitted by law 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 this PDS.

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

10.6. Constitution

The Constitution sets out the Trustee's obligations as well as your rights as an investor. You can obtain a copy of the 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 requires investor consent (given at an investor meeting) for any amendment to the Constitution unless the Trustee reasonably considers that the amendment will not adversely affect the rights of investors.

10.7. The Trustee may suspend your investment 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 counter-terrorism financing laws, laws relating to sanctions or other legal obligations;
- b) the Trustee believes that a transaction may be fraudulent, or
- c) the Trustee considers such action is necessary to manage any material risks to which the Trustee is exposed (including the risk of damage to MSC Trustees' reputation).

In these circumstances, except where other provided by law, the Trustee will not be liable to you for any resulting loss.

10.8. 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 and implementing the controls in the compliance plan. Each year the compliance plan, and the Trustee's compliance with the compliance plan, will be independently audited.

10.9. Your rights

Subject to the Constitution and other applicable laws, 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 receive a copy of the Constitution.

10.10. Custody

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

10.11. 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.

10.12. Your liability

Except as provided below, your liability is limited to the amount (if any) which remains unpaid in relation to your subscription for units 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 bank account (if applicable). Details of your liability as an investor are further set out in the Constitution.

10.13. Cooling off

Where your application to invest in the Fund has been accepted, you can request the return of your investment within a 14-day cooling-off period. This does not apply to

wholesale investors. Please contact the Trustee directly if you would like to exercise this right. If you cool-off, the Trustee will return your money to you and no fees will apply.

However, the amount you receive will reflect any movement (whether up or down) in the unit price of the Fund and any related expenses. As a result, there may be tax, profit or loss implications for you. The cooling-off period commences on the earlier of the end of the fifth business day after your units are issued or the day you receive confirmation of your investment.

10.14. Termination

The Trustee can terminate the Fund at any time or cease to support an Investment Option, subject to the Corporations Act and the Constitution. 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 Constitution. Your final distribution will be determined by reference to the number of units you hold in an Investment Option on the termination date.

10.15. Financial information

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

10.16. Other information

Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations under the Corporations Act. The Trustee will meet its continuous disclosure obligations by disclosing new material information at <https://www.tanggram.com/support/product-disclosure-statement>. Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. You have a right to obtain a copy of the following documents from the Trustee free of charge:

- a) the Fund's annual financial report most recently lodged with ASIC;
- b) any half-year financial report lodged with ASIC by the Fund after lodgement of the latest annual financial report and before the date of this PDS; and
- c) any continuous disclosure notices given by the Fund after lodgement of the

latest annual report and before the date of this PDS.

10.17. 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.

10.18. Changes to the Fund

The Trustee can make changes to the Fund, the Investment Options, and this PDS. Sometimes, changes may occur without prior notice. You will be given 30 days' prior notice of any material changes to the Fund's investment strategy or the Fund's product features as described in this PDS.

See 'Updated information' under the 'Important Information' section of this PDS for more information about changes to this PDS.

10.19. Employee investing

The Trustee's, Manager's and Portfolio Manager's employees, and employees of their related bodies corporate, may invest in the Fund subject to their personal account trading policies and procedures.

10.20. Consents

Cache, Tanggram and Perpetual Corporate Trust Limited have each given, and at the date of this PDS have not withdrawn, their consent to be named in this PDS in the form and context in which they are named.

10.21. Enquiries or complaints

If you are dissatisfied or have a complaint about your investment in the Fund, please contact Tanggram at:

Tanggram Capital Pty Ltd
(ACN 630 041 020, AR 001305609)
Level 4, 350 Collins Street,
Melbourne VIC 3000
1300 099 777
customer@tanggram.com

Tanggram will confirm receipt of any complaint by email within 1 business day, investigate the matter (in conjunction with

Cache) and get back to you with a response with the aim of resolving your complaint within 30 days.

If Tanggram has not resolved your complaint to your satisfaction, you can request that the complaint be escalated to the Trustee for review.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority

(AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Telephone: 1800 931 678 (free call)

Email: info@afca.org.au

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