

Supplementary Product Disclosure Statement for **Tanggram Spark**

An Investment Option of the **Tanggram Investment Fund** ARSN 623 672 336

28th October 2019

Responsible Entity and Issuer:

Vasco Investment Managers Limited (ACN 138 715 009, AFSL 344486)

Investment Manager:

Tanggram Capital Pty Ltd (ACN 630 041 020)

Fund Administrator:

Vasco Fund Services Pty Ltd (ACN 610 512 331)

Tangram Investment Fund

Important Information

This Supplementary Product Disclosure Statement is dated 28 October 2019 (**SPDS**) and relates to the offer of units in Tangram Spark, an Investment Option of the Tangram Investment Fund ARSN 632 672 336 (**Fund**) and the terms on which that offer is made.

This SPDS is issued by Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486 (**Vasco or RE**), in its capacity as responsible entity of the Fund. In this document, the description 'we', 'us' or 'our' refers to Vasco Investment Managers Limited. Please note the RE is in the process of changing its name to Vasco Trustees Limited.

This SPDS should be read in conjunction with the Product Disclosure Statement dated 28 October 2019 (**PDS**). The information in the PDS continues in full force and effect except to the extent that information is varied in relation to Tangram Spark as described in this SPDS. Defined terms in the PDS have the same meaning in this SPDS unless noted otherwise.

An investment in Tangram Spark offered under this SPDS is not guaranteed by the RE, the Investment Manager or any of their directors, employees, advisors, agents or associates. This means that the performance of Tangram Spark, any return of capital or any particular rate of return on your investment is not guaranteed and to the maximum extent permitted by law, they deny any liability for any loss or damage suffered by any person investing on the Fund. An investment in the Fund does not represent a deposit with or a

liability of the RE or the Investment Manager.

You should consider this when assessing the suitability of the investment, and particular aspects of risk, including the risk of loss of income and capital invested or delays in repayment. The significant risks associated with investing in the Fund are summarised in section 8 of the PDS.

This document contains important information but does not constitute financial product advice and accordingly does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this document, you should read it carefully in its entirety and consult with a financial adviser or tax adviser.

This SPDS has been prepared to comply with the requirements of the laws of Australia. The distribution of this SPDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this SPDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This SPDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The assets depicted in photographs in this SPDS are not assets of the Fund unless otherwise stated.

This SPDS is available in electronic format, including

access via our website www.vascofm.com.

If you are unsure whether the electronic document you have received is complete, please contact us.

A printed copy is available free of charge by contacting the RE (see Corporate directory in section 13 of the PDS).

Information in this SPDS is subject to change from time to time. If the change is not materially adverse to investors, the RE may update the SPDS by posting a notice on its website at www.vascofm.com. If the change is materially adverse to investors, the RE will replace this SPDS or issue a supplementary SPDS.

If there are any inconsistencies between the PDS, SPDS and the Constitution, the Constitution will prevail. If there is inconsistency between the PDS and this SPDS the SPDS will prevail.

We recommend you obtain and review all information before you invest.

Alternatively, you can contact the Investment Manager on wealth@tanggram.com.au or +61 03 9939 5723 and they will send you the requested information free of charge.

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1. A Snapshot of the Tanggram Spark

| Key Features | Description | Further Information |
|-----------------------------------|---|---|
| Offer | An investment in Tanggram Spark, an Investment Option of the Tanggram Investment Fund. | |
| Investment Strategy | <p>Tanggram Spark will invest in a diversified portfolio of assets selected by the Investment Manager with a view to generating a steady stream of income and preserving Investor capital.</p> <p>The Investment Manager's mandate is to invest in cash and similar short-term money market products, including highly liquid cash funds and other managed investment funds which predominantly invest in secured loans, mortgage backed securities, and bonds.</p> <p>Initially the Fund will make investments in the Trilogy Monthly Income Trust and LaTrobe Australian Credit Fund.</p> | Section 2.1 of this SPDS |
| Eligibility | Tanggram Spark is available to Investors who participate in the Tanggram Shopping Rewards Program and Investors who invest directly. | Section 6 of the PDS |
| Target Return | The Investment Manager is targeting a return of 5.05% per annum (after fees and expenses but before any withholding tax). This is a target return only and is not a forecast or a guaranteed return. | - |
| Key Risks | It is important that you read and consider the risks associated with and investment in the Fund before deciding whether to invest. For example, distributions or capital returns are not guaranteed. | Section 3.2 of this SPDS and section 8 of the PDS |
| Minimum Term | Tanggram Spark is subject to a Minimum Term of 6 months. | Section 2.2 of this SPDS |
| Minimum Investment Amounts | | |
| Initial Investment | \$5,000 | - |
| Additional Investment | \$100 | |
| Minimum Balance | \$500 | |

Tanggram Investment Fund

| Fees and Other Costs of the Fund | | |
|--------------------------------------|---|----------------------------|
| RE Fees | Up to 0.31% per annum of the Gross Asset Value of Tanggram Spark subject to a minimum of \$62,700 per annum. | Section 5 of this SPDS |
| Investment Manager's Performance Fee | The Investment Manager is entitled to receive a performance fee equal to all returns in excess of the Target Return paid to Investors and fees and expenses, calculated and paid monthly in arrears. | |
| Expenses | In addition to the base management fee the RE is entitled to recover all reasonable expenses properly incurred in the performance of its duties. The engagement of service providers such as the Administration Manager and Custodian will be an expense of the Fund. | |
| Indirect Costs | Indirect costs are amounts that the RE knows, or estimates, will reduce the Fund's returns. The costs are paid from the Fund's assets, or the assets of interposed entities, such as the underlying investment funds, which each Investment Option invests in time to time. These are estimated to be 0.97% per annum of the Gross Asset Value Tanggram Spark. | Section 5.2.8 |
| Buy/Sell Spread | It is not anticipated that there will be a buy or sell spread, however the RE may apply one to the unit price if it is in the interests of all Investors. | Section 5.2.6 of this SPDS |

2. About Tanggram Spark

2.1. Investment Strategy

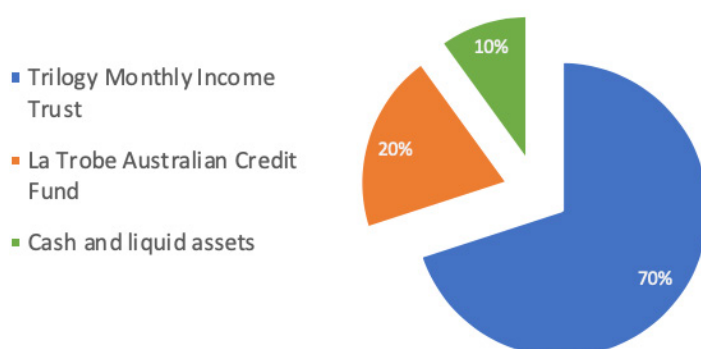
Tangram Spark will invest in a diversified portfolio of assets selected by the Investment Manager with a view to generating a steady stream of income and preserving Investor capital.

The Investment Manager's mandate is to invest in:

- cash and similar short-term money market products, including highly liquid cash funds; and
- other managed investment funds which predominantly invest in secured loans, mortgage backed securities, and bonds.

The Investment Manager intends to initially allocate the investments of Tanggram Spark as follows:

Target Asset Allocation



The asset allocations outlined in this section are for indicative purposes only, and the Investment Manager might alter this allocation from time to time at their discretion. Any changes to the Investment Manager's target asset allocation will be updated on the Tanggram App. There is no guarantee that the Fund will exhibit these exact characteristics at any point in time.

The Investment Manager has chosen Trilogy Monthly Income Trust and La Trobe Australian Credit Fund for the following reasons:

• La Trobe Australian Credit Fund

La Trobe Financial is a leading provider of bank alternative credit in Australia. It manages over \$1.8 billion

funds under management as at December 2018 and it was acquired by Blackstone in 2018. The La Trobe Australian Credit Fund has been delivering capital stable income returns for nearly 30 years. It invests in a diverse range of fixed and floating rate loans and credit securities with good diversification and risk management. The Investment Manager has chosen to allocate a large percentage in the La Trobe Australian Credit Fund with a view to achieving good liquidity, capital stability and reliable returns.

- **Trilogy Monthly Income Trust**

The Trilogy Monthly Income Trust is a pooled mortgage fund investing in loans secured by registered first mortgages held over Australian property. The trust has delivered stable distributions and honoured all withdrawal requests since 2007. The trust offers good diversification to the existing portfolio since it invests in loans mainly in QLD and NSW financing property development, construction and refinancing completed stock. With a 20%-30% allocation in the Trilogy Monthly Income Trust, the Investment Manager believes this provides Tanggram Spark with greater diversity in mortgage exposure while still providing the Fund with desired liquidity.

2.2. Minimum Term

Tanggram Spark is subject to a Minimum Term of 6 months.

After this Minimum Term, investors will be able to withdraw from the Fund according to the withdrawal process detailed in Section 5.3 of the PDS.

Investment in the Fund is subject to cooling off rights. See Section 5.2 of the PDS.

3. Benefits and Risks

3.1. Benefits

The Investment Manager has described the benefits of Tanggram Spark as follows:

- Providing Investors with capital stability and reliable returns while maintaining relatively good liquidity.
- A portfolio of underlying assets that have demonstrated over their history the ability to maintain capital stability in a wide range of economic conditions, and to deliver reliable returns which consistently beat their credit-related investment benchmarks.
- The underlying assets either invest in liquid assets and/or maintain a high portion of cash reserves in order to facilitate liquidity.
- Although all investments carry a degree of risk, including the potential for loss of income or capital or a less than expected rate of return or a delay in payment, the underlying assets have shown relatively low risk.
- The underlying asset managers have achieved a low default rate in respect of their mortgage investments through good risk management and loan investment strategies including risk control in loan-to-value ratio, loan size and loan type diversification.

Please refer to section 7 of the PDS for a summary of the general benefits of investing in the Fund as considered by the Investment Manager.

3.2. Risks

Please refer to section 8 of the PDS for a full summary of the risks. These risks include but are not limited to:

- General market risk
- Interest rate risk
- Credit risk
- Investment manager risk
- Valuation risk
- Disputes and defaults risk

In addition to these risks summarised in the PDS, the following risks relate specifically to an investment in Tanggram Spark:

Class Liquidity Risk

Amounts invested by the Fund in other managed investment funds may be subject to restrictions on withdrawals or minimum investment periods. If Withdrawal Requests for any period exceed the amount of liquid funds on hand, the RE may not be able to pay your Withdrawal Request in full immediately. The RE has up to 12 months to satisfy Withdrawal Requests.

Investment Strategy Risk

Authorised Investments of the La Trobe Australian Credit Fund including mortgage backed securities, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit, deposit or term deposit held in an APRA approved deposit taking financial institution, and cash or cash equivalent assets. These different asset classes all carry their own risks to which the Fund will be exposed.

Pre-paid and Capitalised Interest Risks

The Fund may be exposed to risks associated with pre-paid interest and capitalised interest, where the interest is not funded out of the borrower's ongoing cash flow. Therefore, there is a risk that the proceeds that the borrower achieves out of the sale of the property may not be sufficient to repay the total loan, which includes both principal and interest.

Loans may also be capitalised where they fall into arrears. This means that the total amount owed by the borrower increases as the borrower fails to make the required payments under the loan.

Construction and Development Lending

Construction or development loans include additional risks when compared to loans over existing improved property. These additional risks can be associated with the timing, completion and sale of the project. With construction and development lending, there is no guarantee that the project will actually be completed, nor is there any guarantee that the project will ultimately be worth the value attributed to it at the outset. This valuation is often referred to as the 'value as if complete' or the 'on completion valuation', which may not always be achieved.

Second and Subsequent Mortgages Risks

The Fund may be exposed to second and subsequent mortgages. They are riskier than other loans because they rank behind first or preceding mortgages in priority. The first mortgage must be paid out before the second mortgage can be paid out and so on, exposing investors in the second and subsequent mortgages to the risk of capital and/or interest loss.

Low Documentation Lending Risks

There is a risk with 'low documentation lending' that the information provided by the borrower may not be complete.

Gearing Risk

While the Fund will not have any borrowings, the underlying investments may borrow for the purposes of providing short term liquidity. The effect of this may increase any capital loss for the Fund if the value of the underlying investment falls, as the financier must be repaid the principal amount outstanding on the loan and outstanding interest or costs before distributions are made to the Fund.

Negative Income Risks

The Trilogy Monthly Income Trust maintains a unit value of \$1.00 per unit. The net value of the trust at any time is derived from the amount of the cash held, the loans that have been made, plus the income that is received less the expenses that are payable from the trust. The unit value is determined by dividing the net value of the trust by the total number of units on issue at the relevant time. The net value (and thence the unit value) must be determined as at the end of each quarter. If, in any quarter, there is insufficient income to meet expenses or to compensate for any reduction in the value of mortgage or other assets of the trust, the unit value may be less than \$1.00 per unit. In such a case the constitution for the trust provides a mechanism under which a sufficient number of units will be compulsorily redeemed to make up that shortfall and maintain the value of the remaining units at \$1.00 per unit.

You must read the Fund's PDS in conjunction with this SPDS before you invest in Tanggram Spark.

4. Minimum Investment Amounts

4.1. Minimum Investment Amounts

The RE will accept a minimum initial investment of at least \$5,000.

The RE will accept minimum additional investments of at least \$100.

All investments may be made up of amounts transferred from the Tanggram Shopping Rewards Program, money transferred from your own bank account, money transferred via regular direct debit (if available) or any combination of these.

Section 6 of the PDS outlines how your Shopping Rewards can be used to invest in the Fund.

4.2. Making Investments and Withdrawals

Section 5 of the PDS outlines the terms on which investments and withdrawals will be processed.

5. Fees and Other Costs

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

Consumer Advisory Warning

Government regulation requires the inclusion of the following standard consumer advisor warning as set out below. The information in the consumer advisory warning is standardised across all product disclosure statements and does not provide any specific information on the fees and charges in this Fund.

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100 000 to \$80 000).

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

Your employer may be able to negotiate to pay lower administration 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)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This table shows fees and other costs that you may be charged for an investment in Tanggram Spark.

These fees and costs may be deducted from your money, from the returns of your investment or from the Fund's assets as a whole. Taxation information is set out in Section 10 of the PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

ASIC Class Order [CO 14/1252] applies to this SPDS.

TABLE 1

| Type of Fee or Cost ¹ | Amount ² | How and When Paid |
|---|---|--|
| Fees when your money moves in or out of the Fund | | |
| Establishment Fee The fee to open your investment. | \$10 | Deducted from your initial investment amount prior to the issue of units and payable to the Investment Manager. |
| Contribution Fee The fee on each amount contributed to your investment. | Nil | Not applicable |
| Withdrawal Fee The fee on each amount you take out of your investment. | 2% of the value of Units redeemed prior to the end of the Minimum Term. | Deducted from the redemption proceeds and payable to the Fund. |
| Exit Fee The fee to close your investment. | Nil | Not applicable |
| Management Costs⁵ | | |
| The fees and costs for managing your investment | | |
| RE Fee³ | Estimated to be 0.31% per annum of the Gross Asset Value of Tanggram Spark. Refer to Section 5.2.3 for more information. | Calculated and accrued monthly from the original execution date of the Deed (being 12 March 2019) and payable to the RE monthly in arrears from the Fund's assets within 7 days of the end of each month, subject to the fee being apportioned pro-rata across the Gross Asset Value of each Investment Option. |
| Investment Manager Fees | Performance Fee calculated as all returns in excess of the Target Return. Estimated to be 0.04% per annum of the Gross Asset Value of Tanggram Spark. | Calculated and accrued monthly and payable to the Investment Manager monthly in arrears from the relevant Class assets usually within 15 Business Days of the end of each month. |
| Expenses³ (Excluding Investment Manager Fees) | Estimated to be 1.02% per annum of the Gross Asset Value of Tanggram Spark. ⁴ | Expenses may be claimed on a monthly basis, and are deducted from the assets of each Investment Option on at least a monthly basis. Expenses may be calculated pro-rata across the Gross Asset Value of each Investment Option or charged directly to each Investment Option at the discretion of RE, taking into account the fair treatment of expenses across Investment |
| Indirect Costs | Estimated to be 0.97% per annum of the Gross Asset Value of Tanggram Spark. Refer to Section 5.2.8 for more information. | Paid indirectly through the fees and expenses charged by the fund managers of the underlying funds invested in by the Tanggram Investment Fund. |

| Service Fees | | |
|--|-----|----------------|
| Switching Fee The fee for changing investment options. | Nil | Not applicable |

1. See “Additional explanation of fees and costs” below for further details as to fees and costs you may be charged.
2. All fees are inclusive of GST and less any estimated applicable input tax credits.
3. The Investment Manager has agreed to support the Fund to pay its fees and expenses until such time as they are able to be paid from the assets of the Fund. The Investment Manager may be reimbursed from the Fund in future years for any such funding it provides the Fund.
4. The expense recovery is only an estimate based upon Tanggram Spark having a Gross Asset Value of \$10m at the end of its first full year of operations. The actual expense recovery may be higher or lower.
5. Management costs may be negotiated by Wholesale Clients. Please see “Differential Fees” for details.

5.1. Example of Annual Fees and Costs

The table below provides an example of how fees and costs in Tanggram Spark can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

| EXAMPLE 1 | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR | |
|---|---|---|
| Contribution Fees | Nil | For every \$5,000 you put in, you will be charged \$0. ⁵ |
| PLUS Management Costs (indirect cost ratio) | 2.34% per annum of the net asset value of Tanggram Spark ² | And, for every \$50,000 you have in Tanggram Spark, you will be charged \$1,170 each year. |
| EQUALS Cost of Fund | | If you had an investment of \$50,000 at the beginning of the year, and you put in an additional \$5,000 during that year ³ , you will be charged fees and costs of \$1,170. ⁴ |

1. This example is based on Tanggram Spark having a Gross Asset Value of \$10m at the end of its first full year of operations. The actual Management Costs may be higher or lower depending on the actual amount of money raised by Tanggram Spark in its first year of operations.
2. 2.29% is the estimated indirect cost ratio of Tanggram Spark, which is quoted inclusive of GST and net of reduced input tax credits. It is an estimate of the total management costs (which does not include transactional and operational costs) deducted from Tanggram Spark and is represented as a percentage of the estimated average net asset value of the Option.
3. It is assumed that the contribution of \$5,000 is made at the end of the year.
4. Additional fees and costs may apply. Please refer to the explanation of ‘Transactional and Operational Costs’ and the ‘Buy/Sell Spread’ in the ‘Additional Explanation of Fees and Costs’ section.
5. While investors are not charged a contribution fee, they are charged \$10 establishment fee on entry into the Fund.

5.2. Additional Explanation of Fees and Costs

5.2.1. Payment of Fees and Costs

The Investment Manager has agreed to support the Fund to pay its fees and expenses outlined above until such time as they are able to be paid from the assets of the Fund with a view to maintaining the Fund's Unit Price at \$1 and ensuring investors are paid their Target Return. The Investment Manager may be reimbursed from the Fund in future years for any such funding it provides to the Fund.

If the Investment Manager does not cover these fees and expenses each month, the RE will be entitled to recover them from the assets of the Fund which may result in value of fund and each Investor's Units falling.

5.2.2. Early Withdrawal Fee

An early withdrawal fee of 2% of the value of the units being redeemed will be deducted and paid to the Fund if the Withdrawal Request is made prior to the end of the Minimum Term for your Investment Option.

5.2.3. RE Fees

Under the Constitution, the RE is entitled to charge the following fees in relation to the proper performance of its duties:

- o 0.31% per annum of the Gross Asset Value of the Fund on amounts less than \$100 million; plus
- o 0.05225% per annum of the Gross Asset Value of the Fund on amounts greater than or equal to \$100 million but less than \$200 million; plus
- o 0.03135% per annum of the Gross Asset Value of the Fund on amounts greater than or equal to \$200 million.

This fee is subject to a minimum annual fee of \$62,700. The RE will also charge a termination fee of \$9,927.50 to the Fund if the Fund is wound up or it is replaced as the responsible entity of the Fund.

5.2.4. Investment Manager Fee

The Investment Manager is entitled to receive a performance fee equal to all returns (net of other fees and expenses) in excess of the Target Return for each Investment Option, paid monthly in arrears. There will be no ability for the Fund to claw back any historical performance fee paid to the Investment Manager in respect of any under-performance.

5.2.5. Expenses

Expenses means costs incurred by the RE in the administration of the Fund and include fees payable to the Custodian, Administration Manager, auditor and compliance plan auditor and also include other administrative expenses such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unit holder meetings and registry fees.

The RE estimates the Fund's expenses to be around 1.02% p.a. of the Gross Asset Value of the Fund. This estimate does not include abnormal operating expenses which are due to abnormal events such as the cost of running investor meetings for example. This estimate also does not include fees paid to the Investment Manager, which are separately disclosed as Management Costs section of Table 1.

It is important to note that this estimate is based on the fund having a gross assets value of \$20m at the end of its first full year of operations comprising two Investment Options each with \$10m in gross assets. The actual expenses may be higher or lower depending on the actual amount of money raised by the Fund in its first year of operations.

The Constitution does not limit the amount that the RE can recover from the Fund as expenses provided they are properly incurred in operating the Fund.

Fees Paid to the Administration Manager

The RE has entered into an Administration Agreement with the Administration Manager whereby the Administration Manager is entitled to a fee of up to 0.10% of the Gross Asset Value of the Fund subject to the following minimums:

- o \$26,125 per annum where there are 100 or fewer investors; or
- o \$36,575 per annum where there are 101 or more investors but less than 250 investors; or
- o \$52,250 per annum where there are 251 or more investors but less than 1000 investors; or
- o \$78,375 per annum where there are 1001 or more investors but less than 2000 investors; or
- o \$104,500 per annum where there are more than 2000 investors.

An additional fee of \$10,000 will be charged for the administration of each additional unit class where assets are segregated from other unit classes.

The Administration Manager's fees are subject to GST and an increase of up to 5% per annum on 1 January of each year.

The Administration Manager is also entitled to:

- Disbursement charges of \$100 per Investor per annum for each Investor under 200 Investors, \$50 per Investor per annum for each additional Investor up to 1000 Investors and \$20 per Investor per annum for each additional Investor greater than 1000; and

- A portal access fee of \$3,500 per annum.

The Administration Manager is a related party of the RE.

5.2.6. Buy and Sell Spreads

Investments and withdrawals may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and no other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Fund may incur when buying or selling assets. They will be influenced by our experience of the costs involved in trading these assets or the costs that the Fund has actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in the fee table above, and is reflected in the unit price.

The buy and sell spreads are retained within the Fund, they are not fees paid to the RE or the Investment Manager. The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

As at the date of this SPDS, no buy or sell spread is expected for an investment in Tanggram Spark. However, current buy or sell spreads can be obtained online at www.vascofm.com.

5.2.7. Transactional and Operational Costs

Transaction costs are costs incurred by the Fund for buying and selling assets. They include brokerage, stamp duty, legal and tax advice, and property settlement costs. These are additional costs to you.

No transactional or operational costs are expected.

5.2.8. Indirect Costs

Indirect costs are amounts that the RE knows, or estimates, will reduce the Fund's returns. The costs are paid from the Fund's assets, or the assets of interposed entities, such as the underlying investment funds, which each Investment Option invests in time to time. Typically, an interposed vehicle will be a trust in which the Fund has invested. The costs may include the cost of making an investment, such as spreads or brokerage costs, and fees charged by an interposed entity, including management fees and performance fees.

Indirect Costs of 0.97% of the Gross Asset Value of Tanggram Spark are expected.

5.2.9. Indirect Cost Ratio (ICR)

The ICR is a useful measure of the ongoing fees and expenses of investing in the Fund.

The ICR shows the cost of investing in the Fund compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average Fund size (based on net assets) over the period. The ICR does not include transaction and operational costs, buy/sell spreads, brokerage, borrowing costs, and Government charges incurred by the Fund as these costs would generally also be incurred by an investor investing directly.

The ICR of Tanggram Spark is estimated to be 2.34%.

The ICR is based on the fund having a Gross Asset Value of \$20m at the end of its first full year of operations comprising two Investment Options each with \$10m in gross assets. The actual expenses may be higher or lower depending on the actual amount of money raised by the Fund in its first year of operations.

5.2.10. Abnormal Expenses

The RE is entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of Unit holder meetings, legal costs of any proceedings involving the Fund and terminating the Fund. Whilst it is not possible to estimate such expenses with certainty, the RE anticipates that the events that give rise to such expenses will rarely occur.

5.2.11. Fees for Other Services

The RE or a related party may also provide other services to the Fund and/or specific Investment Options or the Fund's Unit holders in the future. Should that occur, the RE or a related party will charge fees for those services at commercial market rates for the provision of those services.

5.2.12. Differential Fees

The RE and or the Investment Manager may rebate fees on an individual basis as permitted by the Corporations Act and ASIC relief. The RE and the Investment Manager may rebate fees to Wholesale Clients. For contact details of the RE and the Investment Manager, please see section 13 of the PDS.

5.2.13. Changes to Fees and Expenses

The Constitution sets out the maximum fees and expenses payable by the Fund.

The RE may change the fees and expenses referred to in this PDS, subject to the Constitution. The RE will provide at least 30 days' notice to Unit holders of any proposed increase in fees or expense recoveries or introduction of new fees.

5.2.14. Waiver and Deferral of Fees

The RE may, in its discretion, accept lower fees and expenses than it is entitled to receive, or may agree to defer payment of those fees and expenses for any time. If payment is deferred, then the fee or expense will accrue until paid.

The Investment Manager has agreed to pay the RE's fees until such time as these fees are able to be paid from the Fund's assets. The RE has agreed to reimburse the Investment Manager any fees paid by it to the RE from the Fund's assets at such time when the Fund is able to do so.

All deferred fees and expenses will also be paid upon any retirement or removal of the RE.

5.2.15. Advice Fees

The RE does not pay advice fees.

You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in this section, and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the RE.

5.2.16. Other Payments and Benefits

Your financial adviser may receive payments and/or other benefits from the organisation under which they operate. These payments and benefits are not paid by the Fund.

6. Glossary

| | |
|--------------------------|--|
| Investment Option | Investment Options provided by the Fund to Investors with each investment option offering different rights and returns. Each Investment Option is operated as a distinct Unit Class of the Fund under the Fund's Constitution. The rights of Investors in each investment option are set out in an SPDS. |
| Minimum Term | A period of 6 months from the time an investor is issued Units in Tanggram Spark in which they cannot redeem their Units. |
| Offer | Offer of Units in Tanggram Spark pursuant to this SPDS and the PDS for the Fund. |
| Tanggram Spark | An Investment Option of the Tanggram Investment Fund. |
| SPDS | A supplemental product disclosure statement in respect of each Investment Option. |

7. Corporate Directory

Responsible Entity

Vasco Investment Managers Limited (ACN 138 715 009)
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