AIKYA

Aikya Emerging Markets Opportunities Fund

ARSN 653 056 092 APIR WHT2409AU ISIN AU60WHT24097

Additional Information to the Product Disclosure Statement

Dated 10 November 2023

Issued by: Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371

Contents

Important information

This Additional Information to the Product Disclosure Statement ('Additional information to the PDS') provides additional information you need to make a decision about the Aikya Emerging Markets Opportunities Fund ARSN 653 056 092 ('Fund'). You can access the PDS on the internet at www.aikya.co.uk or call 1300 010 311 for a copy.

Neither of the Responsible Entity, nor r Aikya guarantees the performance of the Fund or the return of capital or income.

The information in the PDS and Additional information to the PDS is general information only. To the extent the information in the PDS and Additional information to the PDS constitutes financial product advice, such advice does not take into account your individual objectives, personal financial situation or needs. Before investing, you should consider the appropriateness of the advice in light of your own objectives, financial situation and needs. We strongly recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. You should also read the PDS before making any decision about whether to acquire units in the Fund.

Updated information

The information in the PDS and Additional information to the PDS may change over time. We may update this information where this does not involve a material adverse change and make it available to you, where permitted by law, via the Fund's webpage. You can also obtain updated information by contacting us.

1. How we invest your money

The Fund will aim to invest in a diversified portfolio of equity or equity-related securities listed or traded in Emerging Markets, or companies whose equity/equity-related securities are listed or traded on other markets, but whose business is predominantly conducted in Emerging Markets. Typically, the Fund will hold between 30-35 stocks.

Investment Philosophy

The Fund has twin purposes:

1. To generate healthy long-term investment returns for investors with strong downside protection (the **Return Purpose**), whereby downside protection is achieved through investing in high-quality companies, when they are available at sensible valuations.
2. To make a significant impact on the sustainable development problems facing Emerging Market countries by investing in responsibly run high-quality companies (the **Sustainability Purpose**) (see below under the heading 'Aikya Sustainability Impact Goals').

Aikya interprets risk as the possibility of permanent loss of capital rather than underperforming the Benchmark in the short-term.

At the heart of Aikya's investment philosophy is establishing the quality of stewardship in the companies it looks to invest in. Aikya believes that investing in high-quality companies maximises returns, and that environmental, social (including labour standards) and ethical (incorporating corporate governance) ('ESG') considerations are one of the most important ways to judge the quality of a company. These ESG considerations are incorporated when Aikya conducts stewardship, franchise and financial analysis of companies. Examples of the key questions posed and minimum requirements for each area include:

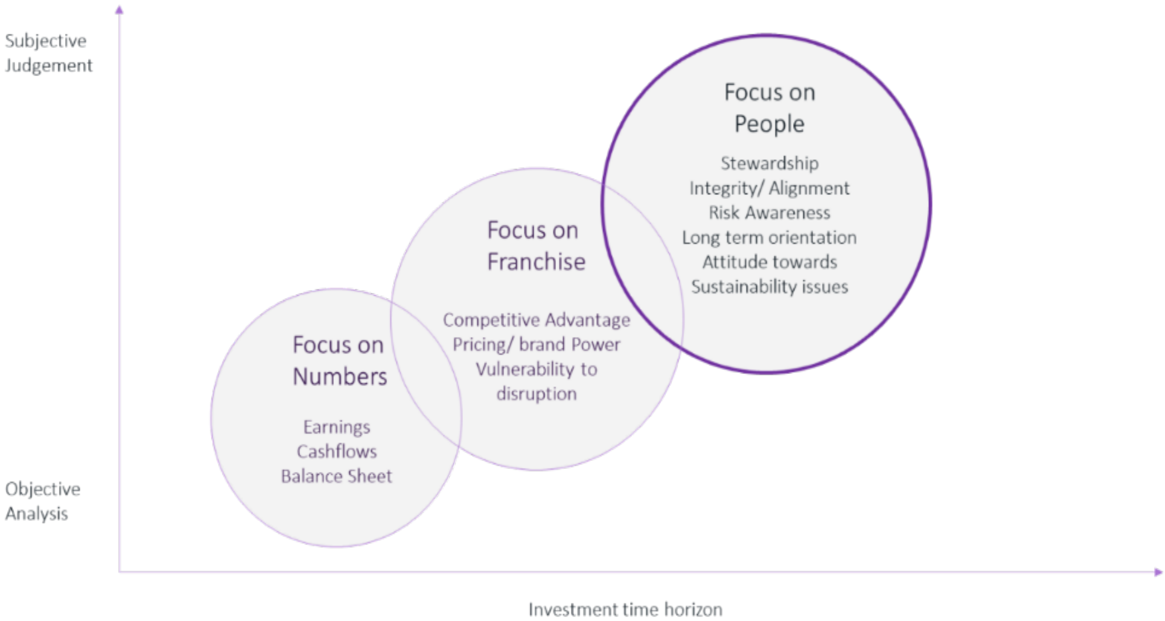
- **Quality of Stewardship:**
  - Is there a strong sense of purpose? The company must objectively align with at least one United Nations Sustainable Development Goal[1] ('UN SDG') with possible exceptions (see below under heading 'Labour Standards, Environmental, Social or Ethical Considerations').
  - How strong is corporate governance? The company must not be a state-owned entity, have no political association and have no known history of corruption.
  - How strong is environmental stewardship? Carbon intensity (in terms of Greenhouse Gas (Scope 1 and 2) Emissions) and water intensity (in terms of M MT consumed) of operations as determined by the investment team should be reducing.
  - Is the organisation culture for purpose? Annual employee attrition should be below 20% while gender diversity should be healthy or increasing as determined by the investment team.
  - Does their capital allocation history demonstrate discipline and conservatism? It should not have written off more than 20% of the goodwill on the balance sheet over the previous 5 years.
- **Quality of Franchise:**
  - What is the long-term sustainable growth potential for the business? The total addressable market should be 5x the current gross revenue of the company.
  - Does the company have a durable competitive advantage? There should be no loss of market share in the core business for ten years.
  - How healthy and resilient have returns on invested capital been through economic cycles? There should be stable gross profit margin as well as stable returns on equity.
  - Is disruption risk high or low? No single customer should represent more than 20% of sales. Generally, products should have an established reputation in their respective markets, as determined by the investment team.
- **Quality of Financials**
  - How conservatively managed is the balance sheet? Net Debt/EBITDA should be less than 2x, with banks and financial institutions an exception as they are naturally more leveraged.
  - How well do the earnings convert to cashflows? There should be operating cash flow to earnings of at least 50%.

[1] Please refer to https://sdgs.un.org/goals for more information on the United Nations Sustainable Development Goals.

- Are the accounts transparent and conservative? A reputable auditor must be used.
- Is there a currency mismatch between cashflows and liabilities? Cash flow and debts should be in the same currency.

All financial metrics of a company are obtained from the company's latest set of audited financial statements.

In particular, Aikya believes that the Quality of Stewardship is seldom priced correctly by the market. Aikya believes most analysts are obsessed with near-term financial results and fail to see the linkages between good stewardship and franchise strength. Aikya believes that the key tenants of good stewardship, i.e. having a strong sense of purpose, a well-aligned organisational culture, and an awareness of the risks and opportunities associated with ESG considerations (see below under heading 'Labour Standards, Environmental, Social or Ethical Considerations'), are critical in driving long-term competitive advantages for companies. Aikya believes that when such businesses operate within favourable industry structures with large addressable markets, they could be capable of compounding investment returns far longer than most market participants anticipate. Spotting these companies early, and then holding them for the long term, forms the core of Aikya's investment approach.



Investment Process

Aikya is a fundamental, bottom-up manager who conducts analysis at the level of individual companies whose equity securities are being considered for inclusion in the Fund.

Aikya's investment process can be summarised in the following five steps:

1. **Idea generation** – every year the investment team meets with management and market participants to generate insights, which help focus the investment team's attention to interesting companies.
2. **Stock Selectio**n – Aikya maintains an investable list of companies (the **Quality List**). New ideas are subjected to a robust due diligence process, and in time, the investment team debates whether new ideas graduate to the Quality List. In order for a company to graduate to the Quality List, that company will need to meet the requirements outlined above under the heading 'Investment Philosophy".
3. **Portfolio Construction** – the Fund's portfolio typically contains 30-35 sensibly priced companies from the Quality List.
4. **Monitor and Engage** – the investment team monitors the companies held in the Fund's portfolio and the Quality List and engages with the management on issues arising from ESG considerations (see below under heading 'Labour Standards, Environmental, Social or Ethical Considerations').
5. **Sell Decisions** – the Fund will exit the position when the investment thesis changes, or the risk/reward based on our valuation expectations is poor.

Aikya does not consider ESG analysis in anyway separate to investment analysis and Aikya assesses the risks and opportunities associated with ESG considerations in the following dimensions:

1. **Purpose** – companies with a purpose aligned to achieving a UN SDG will usually benefit from long-term structural growth and experience fewer risks.
2. **Environmental Stewardship** – companies should have minimal environmental footprint whilst serving their purposes.
3. **Social Stewardship** – companies that create more problems for local communities are at risk of losing their social licence to operate, which can have a negative effect on investment returns.
4. **Good Governance** – companies should have an alignment between shareholders and management interests over the long term.
5. **Organisation Culture** – companies should have a healthy organisational culture, demonstrating through a high level of diversity, a culture of healthy debate and mutual respect and a leadership team that cares about its employees.

For example, Aikya would consider a diaper manufacturer that has reduced waste in the manufacturing process, lowered energy costs and commercialised the recycling of diapers, which is expected to reduce greenhouse gas emissions by close to 90%, as a company that has demonstrated strong environmental stewardship whilst also serving a purpose aligned to a UN SDG (by ensuring sustainable consumption and production patterns).

Aikya Sustainability Impact Goals

In order to objectively assess the Fund's progress in terms of meeting its Sustainability Purpose (as defined above), Aikya has also embedded several sustainability impact assessments into its investment selection process. The sustainability impact is measured through annual measurement of the Fund's progress against six (6) Sustainability Impact Goals, listed below:

1. The Fund's portfolio should only be invested in companies that are assessed fundamentally by Aikya as currently contributing towards, or is expected to contribute towards, at least one UN SDG by 2030 (see example above)
2. Carbon Intensity (i.e. Green House Gases (Scope 1 and 2) emissions to sales) for the Fund's portfolio should halve by 2030 (with 2019 as baseline year). The Fund's portfolio aims to achieve net zero carbon emissions by 2040. Progress against this target is measured by reporting Carbon Intensity for the portfolio on an annual basis. In setting this target, Aikya has assumed that Green House Gases (Scope 1 and 2) emissions are the best way to measure carbon emission by a company, and do not yet include Green House Gases (Scope 3) emissions due to lack of sufficient disclosure by the majority of companies in Aikya's Quality List.
3. Environmental Resource Intensity for the Fund's portfolio should halve by 2030 (with 2019 as baseline year). Environmental Resource Intensity is an Aikya defined metric which is customised for each industry. It refers to the virgin natural resources such as water and non-renewable energy (per unit of sales) that a business consumes, as well as its ability to recycle waste.
4. None of the companies in the Fund's portfolio should have displayed more than one incident of poor social stewardship over the preceding three years by 2030. Incidents of poor social stewardship include an industrial fire or evidence of modern slavery in labour practices.
5. The Fund's portfolio companies should either have a dominant shareholder whom Aikya determines, in its discretion, as trustworthy or a truly independent board by 2025.
6. The Fund's portfolio companies should have a healthy gender balance in their organisation by 2040. Aikya generally considers companies that have at least 40% of their workforce as women as having a healthy gender balance.

The above goals sharpen Aikya's focus when thinking about new investment ideas and better define Aikya's engagement agendas with portfolio companies, and strengthen Aikya's judgement when it comes to assessing the quality of stewardship.

Where Aikya determines a company fails to meet the above goals, Aikya will engage with the company to prompt changes in their practices that better addresses these goals. If this engagement effort is unsuccessful, the company will be divested as soon as reasonably practicable.

Portfolio Construction

The following questions are considered while constructing the portfolio:

Risk vs Reward Consideration: How much money can be lost on a position? What US$ returns can be generated over the next 10 years by holding this position? Aikya observes strict valuation discipline while deciding which companies to hold in the Fund's portfolio from the Quality List.

- ESG Considerations: Position size of a company in the Fund's portfolio reflects Aikya's conviction in the company's ESG credentials.
- Diversification Considerations: Does the stock provide any diversification benefit to the portfolio? Aikya looks at long-term drivers of companies and tries to diversify the Fund's portfolio based on the underlying drivers (so that the portfolio includes companies which have a mixture of underlying drivers.
- Currency Risk. Aikya is quite careful about the risks it is taking with Emerging Markets currencies. Aikya rarely invests in a company with US$ debt on the balance sheet but with local currency cashflows. Aikya usually invests in exporters in a country, as well as strong domestic franchises with pricing power. A lot of the companies in the Fund's portfolio have a history of showing strong earnings growth in US$ terms despite local currency volatility. Certain Emerging Markets countries have a history of imposing capital controls (often followed by currency devaluation) or suspending stock market trading for a long period. Aikya will typically not invest in such countries.
- Liquidity Considerations: As an Emerging Market investor which has survived through various market cycles, Aikya is conscious of liquidity constraints. Aikya carefully considers the time taken to liquidate a position under normal and distressed conditions and uses this information to drive the position size in a portfolio.

Labour Standards, Environmental, Social or Ethical Considerations

Aikya integrates an analysis of ESG considerations into its investment process when selecting, retaining or realising the investments of the Fund. These ESG considerations include (but are not limited to):

- Environmental – carbon emissions, electricity consumption, usage of renewables, water consumption and air pollution;
- Social (including labour standards)– interactions between companies and their workers, local communities and government; and
- Governance – employee attrition, diversity, board independent and accident rates.

Evaluation of labour standards is part of Aikya's overall assessment of the human rights track record of a company and will generally include consideration of practices such as modern slavery and child labour. Additionally, Aikya will and measure investments against the International Labour Organisation (ILO) Standards which set minimum standards for basic labour rights. However, Aikya does not have a predetermined view of what constitutes a labour standard as these standards change over time.

These ESG considerations are incorporated by Aikya in two ways. Firstly, an analysis of ESG issues is integrated into its investment process (see above) and through this, Aikya seeks to develop an understanding of the impact of ESG issues and the risks they pose to investment returns. Below is a specific example of how Aikya considers the ESG issue of plastic sachets in Emerging Markets.

- In Emerging Markets, personal care products are often sold in small single portion sachets to help locals afford the products. South East Asia alone accounts for 50% of the global plastic sachet market; some 855 billion sachets were sold globally in 2018, with 1.3 trillion sachets expected to be sold in 2027 (as forecasted using current growth rates) Should there be an additional tax while using sachets? What happens to the cost of products delivered if companies are forces to phase them out? Aikya's investment team has deliberated these issues in detail and developed a detailed action plan on engagement with a range of key actors which include leading consumer good companies active in these countries, key non-profit organisations and policy makers.

Secondly, Aikya seeks to identify industry initiatives and stakeholder groups that are aligned with Aikya's core values. Some initiatives which Aikya has connected with include:

- Principles for Responsible Investing – as a signatory, Aikya's investment approach is guided by UN Principles for Responsible Investment (UN PRI)
- The UN PRI Montreal Pledge – as a signatory, Aikya commits to measure and publicly disclose the carbon footprint of its investment portfolios on an annual basis.

As an output of its investment process, Aikya will exclude companies with a material exposure to harmful products and services, and companies which fail to demonstrate strong environmental and social stewardship. Examples of harmful products and services may include, but are not limited to, alcohol and tobacco products, armaments, and casino and gambling services. For more information please read Aikya's position statement on Harmful and Controversial Products and Services available at https://aikya.co.uk/wp-content/uploads/Position-Statement-on-Harmful-and-Controversial-Products-and-Services.pdf.

Material exposure is determined with reference to several guiding principles being:

- Materiality thresholds – companies with more than 5% direct gross revenues (based on the last set of audited financial statements) derived from the manufacture of Tobacco Products, Controversial Weapons and Casinos are excluded;
- Universality of standards – stewardship standards (referred to above in Investment Philosophy) are applied universally, with no leniency across geographies;
- Transparency and exceptions – Aikya will disclose its reasons for maintaining an investment that has exposure to harmful products and services in its annual Sustainability Impact Report[2]. Exceptions may include legacy activities of a company which are being de-emphasised by a company, or a business division that is receiving no fresh capital; and
- Monitoring and engagement – companies are regularly tracked on possible involvement in harmful activities and breaches of social stewardship norms as listed in conventions such as (but not limited to): UN Global Compact, Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (recommendations on responsible business conduct), Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, OECD principles of Corporate Governance and CCLA - Find it, Fix it, Prevent it (Modern Slavery). Should any company be found to be in breach of any of the guiding principles, Aikya will assess the materiality of the breach, and whether it would prompt Aikya to revise its view on the quality of stewardship at the company in question. Aikya will also endeavour to engage with the company, and if the engagement shows no prospect of change and the issue is material, the company will be divested as soon as reasonably practicable.

Aikya seeks to actively engage for two primary reasons:

1. Aikya believes that owning shares in a business comes with rights and responsibilities and as a part owner, Aikya has an obligation to engage with senior management to nudge them towards better behaviour, rather than divesting its holding; and
2. Aikya views ESG topics as investment issues and does not separate the two, with positive engagement on such issues becoming a powerful tool in driving shareholder value and enhancing the value of investment portfolios. How management teams respond to Aikya's engagement requests gives Aikya a good read on the quality of their stewardship.

Stewardship at Aikya is performed and monitored at three levels:

1. Investment analysts – analysts are the primary drivers of stewardship activities at Aikya and continuously monitor the companies held in the Fund's portfolio. Monitoring is achieved through regular meetings with company management teams, annual report reviews and fair market value assessments on these companies.
2. Aikya's Stewardship Committee – an internal committee chaired by the Fund's portfolio manager, which is responsible for monitoring the progress of Aikya's portfolio against the Sustainability Impact Goals (see above), coordinating company engagement and driving collaboration with external advocacy groups, other like-minded investors or industry initiatives that may further Aikya's engagement agenda.
3. Aikya's Board – the Board monitors Aikya's approach to stewardship and more generally ensures that Aikya's investment and stewardship activities remain well resourced.

A typical example of this engagement would begin with Aikya leveraging existing relationships with company management to arrange an initial meeting to present Aikya's findings on ESG issues posing a risk to the company value. Through subsequent meetings with the company, Aikya is able to discuss these ESG issues in more depth and work with company management on ways to address them.

[2] https://aikya.co.uk/sustainability-impact-report-2021/

For regular updates on Aikya's stewardship investment approach and external collaborations, Aikya releases an annual stewardship report which explains its compliance with the United Kingdom Stewardship Code 2020[3]. This report is available at https://www.frc.org.uk/getattachment/2d7660e0-c6b0-4a70-995c-47506833d540/Aikya-2021-Stewardship-Report.pdf.

As of 11 August 2022, Aikya is a Certified B Corporation[4], a certification of a company's overall social and environmental performance, public transparency, and legal accountability.

Borrowing

Whilst the Fund's constitution permits borrowing and is not restricted in its borrowing levels, the Responsible Entity does not intend to borrow on behalf of the Fund. The Fund will not use derivatives for gearing purposes.

Changes to Fund details

We have the right to change the Fund's investment return objective, the Benchmark, asset classes and asset allocation ranges and currency strategy (if any), without prior notice. Materially adverse changes to the disclosure principles and benchmarks or other information in this PDS will be updated via the issue of a supplementary PDS. Other changes will be communicated on the Fund;s webpage or in written or electronic form. Upon request, a hard copy of any updated information will be provided without charge.

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[3] Please refer to https://www.frc.org.uk/investors/uk-stewardship-code for more information on the UK Stewardship Code.
[4] Please refer to https://www.bcorporation.net/en-us/certification for more information.

2. Risks

Risks of Managed Investment Schemes

All investments carry risk. All managed investment schemes carry different types of risk which can have varying impacts on returns. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of risk.

Due to uncertainty in all investments, there can be no assurance that the Fund will achieve its investment objectives. The value of your units at any point in time may be worth less than your original investment even after taking into account the reinvestment of Fund distributions. Future returns may differ from past returns and past performance is not a reliable guide to future performance. Returns are not guaranteed, and you may lose some or all of your money.

Neither the Responsible Entity, nor the Investment Manager , their directors, associates nor any of their related bodies corporate (as defined in the Corporations Act) guarantee the success of the Fund, the repayment of capital or any particular rate of capital or income return. Investments in the Fund are not guaranteed or underwritten by the Responsible Entity, Pinnacle or the Investment Manager or any other person or party and you may lose some or all of your investment.

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

- the value of your investment may go up and down;
- investment returns may vary, and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- laws affecting your investment may change over time, which may impact the value and returns of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below. You need to consider the level of risk that you are comfortable with, taking into account factors such as your objectives, financial situation and needs.

It is recommended that investors obtain professional advice before making any investment decision. The information provided in this PDS is only a guide to help investors understand the risks of investing in the Fund. It is recommended investors speak with an adviser to decide on an investment strategy that is best suited for them.

The Fund will be exposed to risks directly as a managed investment scheme, and indirectly through its investment in the underlying assets. The significant risks for the Fund are:

Concentration risk

Concentration risk refers to the risk associated with a fund that concentrates its investments in a small number of securities than the broader market index, the unit price of the Fund may be more volatile than the return of the Benchmark. The Fund has both security and sector limits relative to the market index which aims to manage this risk by ensuring satisfactory diversification.

Counterparty risk

The Fund relies on external service providers in its normal operation and investment activities. There is a risk with external counterparty and service provider arrangements that the party to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) defaults on, or fails to perform, its contractual obligations (either in whole or in part). This may result in a loss for the Fund, or the investment activities of the Fund being adversely affected.

Currency risk

Currency exposure will generally be unhedged and reflect the currency of the underlying securities, and the Fund will be exposed to assets denominated in other currencies.

Investing in assets denominated in or primarily exposed to a currency other than the Fund’s base currency may cause losses resulting from exchange rate fluctuations. For example, an increase in the value of the Australian dollar relative to other currencies (that the Fund holds assets in) may negatively impact the value of the investment. Conversely, a decline in the Australian dollar relative to other currencies may positively impact the value of the investment.

The Investment Manager may seek to manage the Fund's currency exposure using derivative hedging instruments (for example, foreign exchange forwards swaps, "non-deliverable" forwards, and currency options) or cash foreign exchange trades.

Cyber security risk

As the use of technology has become more prevalent in the course of business, the Responsible Entity has become potentially more susceptible to operational risks through breaches of cyber security. A breach of cyber security refers to both intentional and unintentional events that may cause the Responsible Entity to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the Responsible Entity to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss.

Derivative risk

The Fund may invest in derivatives as part of its investment strategy. A derivative is an instrument whose value is linked to the value of an underlying asset and can be a highly volatile investment instrument. The derivative itself is a contract between two or more parties based upon the asset or assets. In addition to managing exposure of the Fund, the use of derivatives offers the opportunity for higher gains and can also magnify losses to the Fund.

Risks associated with using derivatives might include the risks associated with the derivative's counterparty, the value of the derivative failing to move in line with expectations or with the value of the underlying asset, potential illiquidity of the derivative, or the derivative's expiration.

Additionally, the use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and the risk of increased sensitivity of the Fund's unit price to underlying market variables through leverage.

Emerging market risk

The Fund may invest in securities located in emerging markets, including investing in companies in developing countries or investing in companies in developed countries with activities exposed to emerging markets.

The securities of issuers located or doing substantial business in emerging market countries tend to be more volatile and less liquid than the securities of issuers located in countries with more mature economies, potentially making prompt liquidation at an attractive price difficult. Investments in these countries may be subject to adverse political, economic, social, legal, market and currency risks to name a few. Factors such as lower liquidity or unstable political environments that may lead to greater volatility and may include less protection of property rights and uncertain political and economic policies, the imposition of capital controls and/or foreign investment limitations by a country, nationalization of businesses and imposition of sanctions by other countries.

Equity security risk

The Fund primarily invests in equity securities issued by listed companies. An equity security represents ownership interest held by shareholders in an entity (a company, partnership or trust), realised in the form of shares of capital stock, which includes shares of both common and preferred stock.

A security's share price can rise and fall as a consequence of many factors including, but not limited to, economic conditions, changes in interest rates or currency rates, adverse investor sentiment, management performance, financial leverage, reduced demand for the company's products and services, or factors that affect the company's industry, including changes in regulation or taxation, as well as competitive conditions within the industry. This may result in a loss of value in the portfolio of the Fund and a change in value of your investment.

Equity securities may make payments (regular or irregular) as dividends, and these may fluctuate significantly in their market value with the ups and downs in the economic cycle and the fortunes of the issuing firm.

Foreign investment risk

The Fund may invest in a range of international securities or foreign investment vehicles, and in companies that have exposure to a range of international economies and regulatory environments.

Global and country specific macroeconomic factors may impact the Fund's international investments, and therefore the Fund's performance. Governments may intervene in markets, industries and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Such interventions may impact the Fund's international investments. Where the

Fund is exposed to international investment vehicles, there is a risk that taxation or other applicable laws may change in Australia and such change may affect the operation of the Fund, including how distributions are paid from the Fund, which may affect the operation of the Fund.

Income risk

The Fund may make payments (regular or irregular) as distributions, depending on the income the Fund receives from underlying assets. These may fluctuate significantly in their value with the ups and downs in the economic cycle and the fortunes of the issuing firm. Additionally, the aggregate effect of holding all assets simultaneously may result in risk due to the losses from other assets.

Interest rate risk

Changes in interest rates can influence the value and returns of investments. The Investment Manager’s careful analysis of detailed research, in combination with diversified holdings, aims to minimise this risk.

Investment strategy risk

The success of the Fund depends upon the Investment Manager’s ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Fund. Matters such as the loss of key staff, the Investment Manager’s replacement as investment manager of the Fund, or the Investment Manager’s failure to perform as expected may negatively impact on returns, risks and/or liquidity.

Additionally, the Fund may fail to perform as expected or be able to achieve its stated objectives, thereby reducing the value of your investment and leading to loss.

Investment structure risk

There are risks associated with investing in a managed investment scheme, such as the Fund. These may involve risks of the Fund’s termination, changes to investment strategy or conditions, changes to fees or expenses, or changes to the Fund’s operating rules (such as payments or reinvestments of distributions, or additional investments). An investment in the Fund is governed by the terms of the latest constitution and the PDS of the Fund, the Corporations Act and other laws (such as regulatory updates, government policies, or taxation rules). Investing in the Fund can result in different performance from holding the underlying assets of the Fund directly, for example because of the aggregate effect of holding all assets simultaneously, or the impact of other investors’ transactions.

The Fund may also invest in other managed investment schemes or collective investment vehicles (‘Underlying Fund’). In addition to the risks for the Fund, these also apply to the Underlying Fund. The Fund may also experience risks if the Underlying Fund faces transaction restrictions or liquidity constraints.

Large transaction risk

If a unit holder has a significant holding in the Fund, the Fund is subject to the risk that such large unit holder may request a significant purchase or redemption of units of the Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g. brokerage); and/or (d) capital gains being realised which may increase taxable distributions to investors. If this should occur, the returns of investors (including other funds) that invest in the Fund may be adversely affected.

Liquidity risk

Under extreme market conditions there is a risk that investments cannot be readily converted into cash or converted at an appropriate price, due to the absence of an established market, or where there is a shortage of byers. The Fund may be unable to liquidate sufficient assets to meet its obligations within required timeframes, including payment of withdrawals, or the Fund it may be required to sell assets at a substantial loss in order to do so.

Additionally, different securities may be less liquid than other securities or pose a higher risk of becoming illiquid during times of market stress. The less liquid the security, the more unlikely the marketability of an investment so it cannot be bought or sold quickly, the more difficult it may be to sell the security when the investment manages wishes to do so, or the more challenging or to realise the investment manager’s perception of fair value.

Market risk

The Fund has exposure to different financial markets. The risk of an investment in the Fund is higher than an investment in a typical bank account investment and the Fund is not expected to behave like a cash investment. Amounts distributed to unit holders may fluctuate, as may the Fund's unit price.

The Fund may be materially affected by market, economic, social and/or political conditions globally and in the jurisdictions and sectors in which it invests or operates. This includes conditions affecting interest rates, the availability of credit, currency exchange and trade barriers. These conditions are outside the control of the Fund and could adversely affect the liquidity and value of the Fund's investments and may reduce the ability of the Fund to liquidate its positions or make attractive new investments.

The unit price may vary by material amounts, even over short periods of time, including during the period between a withdrawal request or application for units being made and the time the withdrawal unit price or application unit price is calculated. While the Fund net exposure to share markets may vary through the use of derivatives. This means the value of the Fund could fall materially in a short period of time and you could lose some or all of your investment.

Regulatory risk

The value of some investments may be adversely affected by changes in Australian government policies, regulations and laws, including tax laws and laws affecting registered managed investment schemes. Changes to regulations can affect the Fund's operation (for example changes to taxation rules can affect the Fund's income payments), disclosure (for example new regulations may require different information be reported or disclosed compared to current information), or investment activities (or example new regulations or tax rules may prohibit or restricts practices or activities the Fund relies on).

Sustainable investment risk

The Fund integrates sustainable investment criteria as part of its investment process, which may cause it to perform differently compared to other funds that have a similar objective but which do not integrate sustainable investment criteria. In particular, the Fund's sustainability investment criteria may limit the number of investment opportunities available to the Fund and may cause the Fund to be overweight and / or underweight in certain sectors. For example, the Fund may decline to purchase, or be underweight its investment in certain securities and sectors due to sustainability considerations when other investment considerations would suggest that a more significant investment in such securities and sectors would be advantageous.

Withdrawal risk

There may be circumstances where your ability to withdraw from the Fund is restricted. These circumstances may include (but are not limited to):

- market events affect the liquidity or marketability of the Fund's assets;
- the Fund is no longer Liquid or cannot meet its liquidity requirements; or
- investor activity has affected the Fund's ability to realise assets at an acceptable price.

If we, as Responsible Entity, determine that this is in the best interests of all unit holders, we may suspend or delay withdrawals and these payments make take longer than the typical timeframe. The timeframe in which we have to meet a withdrawal request is set out in the constitution of the Fund and outlined in section 5 'Investing in the Fund'.

Where the Fund is not Liquid, you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act.

3. How the Fund works

How the Fund is valued

The Gross Asset Value ('GAV') of the Fund equals the market value of the assets. The Net Asset Value ('NAV') of the Fund attributable to the units is obtained by deducting any liabilities (for example fees and costs) from the GAV attributable to the units.

All assets within the Fund are usually valued every Business Day. More frequent valuations are permitted under the constitution and we may revalue the Fund's assets more or less frequently if it is considered appropriate or in certain circumstances.

The Responsible Entity uses independent pricing services provided by the Fund's Administrator, Citi, for the valuation of the Fund's assets, which is generally calculated on a daily basis. Listed investments are marked to market. The value of unlisted investments is determined by the Responsible Entity after consideration of the recommendations from the scheme's investment manager or the valuation method adopted by an independent third party. Unit prices may be viewed on the Investment Manager's.

Unit prices

A unit price is calculated for every Business Day, which is equal to the value of the Fund's net assets attributable to the Class A units divided by the number of Class A units. Generally, the unit price changes daily as the market value of the Fund's assets rises or falls.

Unit prices are based on the NAV of the Fund including provision for income and expenses, which have accrued, and an adjustment for a transaction cost factor (see 'Buy/Sell Spread' in Section 6 'Fees and other costs').

Unit pricing policy

The Responsible Entity complies with ASIC Class Order 13/655 as it relates to unit pricing requirements and has adopted a compliant policy for unit pricing discretions it uses in relation to the Fund ('Unit Pricing Policy'). Additional documents may be prepared for this purpose from time to time. This document may be revised or updated to reflect changes in the Fund constitution or the pricing policies of the Responsible Entity. The Unit Pricing Policy and discretions exercised by the Responsible Entity are available from us, at no charge, upon request.

Impact of investing just before the end of a distribution period

After a distribution is paid, the unit price usually falls by an amount similar to that of the distribution per unit. This means that if you invest just before a distribution, the unit price may already include income that you would be entitled to receive at the distribution date. Consequently, by investing just before a distribution, you may have some of your capital returned as income through the distribution payment.

This could affect your taxation position and we recommend you seek professional taxation advice.

Distributions

How you receive income from your investment

Income (such as interest, dividends and realised capital gains) from investments in the Fund will be paid to you via income distributions. Distributions are payable annually, subject to the Fund having sufficient distributable income.

Distributable income takes into account income received from the investment activities of the Fund less any expenses charged to the Fund, as well as net capital gains made due to trading in the assets of the Fund. Revenue losses are not able to be distributed.

Capital gains are generally not distributed until the end (or shortly thereafter) of the period ending 30 June each year. Any net capital losses are carried forward to be offset against capital gains in future income periods.

Distribution reinvestment

Distributions will be automatically re-invested unless you advise otherwise.

The distribution reinvestment price is the unit price at the end of the distribution period (without the applicable buy spread) less the distribution per unit payable. All units allotted as part of the distribution reinvestment will rank equally in all respects with existing units in the same class. At the time the distribution reinvestment price is set, all information that would, or would be likely to, have a material adverse effect on the realisable price of the units will be publicly available.

Investors may elect to have their distributions paid as cash any time by notifying us or the Unit Registry. The change will apply from the date of receipt, as long as it is at least 10 days prior to a distribution date, or such future date as nominated by you.

The Responsible Entity may cancel or suspend distribution reinvestments or modify the terms by which distribution reinvestments are permitted.

Distribution reinvestment will only apply in respect of unitholders who are resident in Australia or New Zealand. Investors who are not resident in Australia or New Zealand will have their distributions paid as cash.

Different classes

As permitted under the constitution, we may issue more than one class of units in the Fund, with different applicable fees and other different conditions of issue. This PDS applies to Class A units. For information relating to other unit classes, please contact us.

Operational governance

The Fund's operation is governed by its constitution and the Corporations Act, with other Relevant Laws.

Constitution

The Constitution contains the rules relating to a number of operational issues and practices, including rights, responsibilities and duties of the Responsible Entity and unit holders in the Fund, some of which are outlined in further detail in this document.

Copies of the Fund's Constitution can be provided on request.

The Fund's Compliance Plan

The Fund's compliance plan outlines how we aim to ensure compliance with the Fund's constitution, the Corporations Act and other relevant laws.

The Fund's compliance plan has been lodged with the Australian Securities and Investments Commission ('ASIC').

4. Investing in the Fund

Applications

Making an application

Direct investors

To invest, complete the Application Form (including the provision of other documentation required for identification purposes) and return it, via post, with your initial investment to the Unit Registry. A copy of the Application Form can be obtained by contacting us. You can also invest in this Fund via the online application form.

Applications received, verified and accepted by the Unit Registry prior to 12pm (Sydney time) on a Business Day will generally be processed using the unit price for that day. For applications accepted after 12pm (Sydney time) or on a non-Business Day, generally the next Business Day's unit price will apply.

We reserve the right not to accept (wholly or in part) any application for any reason or without reason. If we refuse to accept an application, any monies received from you will be returned to you without interest.

Indirect investors

Investors and prospective investors may also access the Fund indirectly. This PDS has been authorised for use by operators through an IDPS or master trust. An IDPS is an investment and reporting service offered by an operator.

People who invest through an IDPS, master trust or wrap account are indirect investors. Such indirect investors do not acquire the rights of a unit holder of the Fund. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive income distributions or reports directly from us, do not have the right to attend meetings of unit holders and do not have cooling off rights. Different investment, balance and withdrawal minimums may also apply. Indirect investors should not complete the Fund's Application Form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should be made directly to the IDPS operator or the trustee of the master trust. Any changes to investor details must also be made through the IDPS operator.

All changes to an account for an indirect investor, including but not limited to the switches, changes of details, additional investment and redemption requests must be processed through the IDPS, master trust or wrap account provider.

Additional information about investing

For an application to be valid the Application Form must be completed correctly, must comply with the designated minimum investment amounts, and be appropriately signed by the applicant(s). However, the Responsible Entity may, at its discretion, accept amounts less than the minimum initial investment amounts. We will not be able to process your application if the Application Form is incomplete or incorrectly completed, or we are not satisfied that we have received the necessary proof of identification requirements to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules and regulations ('AML/CTF Law'), or we have not yet received your relevant FATCA/CRS declaration.

Incomplete applications

If, for any reason, we are unable to process your application the application monies will be held by us in a non-interest-bearing trust account for up to 30 days (while we endeavour to verify your identification information or obtain any necessary outstanding information) after which we will return the application monies to you. No interest is received on application monies, including monies for additional investments, and no interest will be paid to you if for any reason your application cannot be accepted.

Effect of the Application Form

In addition to the acknowledgments contained in the declaration on the Application Form, by completing and signing the Application Form, the investor:

a. agrees to be bound by the provisions of the Fund's constitution;

b. acknowledges having read and understood the PDS;

c. authorises the provision of information relating to the investor's account to the named financial adviser, and any other person authorised by that adviser, from time to time;

d. authorises the use of the TFN information provided on the Application Form in respect of the investor's Fund account;

e. acknowledges that neither the Responsible Entity, its respective holding companies and officers, nor the Investment Manager and its respective officers and holding companies, guarantees the capital invested by investors or the performance of the specific investments of the Fund;

f. acknowledges that the provision of the product available through the PDS should not be taken as the giving of investment advice by the Investment Manager or the Responsible Entity, as they are not aware of the investor's investment objectives, financial position or particular needs;

g. acknowledges that the investor is responsible for ensuring that the information on the Application Form is complete and correct;

h. acknowledges that neither the Responsible Entity nor its agents are responsible where a loss may be suffered as a result of the investor providing incorrect or incomplete information;

i. agrees that the Responsible Entity may:

    i. require the investor to provide any additional documentation or other information and perform any acts to enable compliance with the AML/CTF Law, FATCA, CRS or any other law;

    ii. at its absolute discretion and without notice to the investor, take any action it considers appropriate including blocking or delaying transactions on the investor's account or refuse to provide services to the investor to comply with the AML/CTF Law or any other law; and

    iii. in its absolute discretion and without notice to the investor report any, or any proposed, transaction or activity to anybody authorised to accept such reports relating to actual or suspected contraventions of the AML/CTF Law or any other law; and

j. acknowledges that the Responsible Entity is required to collect the investor's personal information under the Corporations Act and the AML/CTF Law and agrees that information provided may be used as detailed in the PDS located at www.aikya.co.uk and the Responsible Entity's Privacy Policy.

Electronic offer document

The application form may only be distributed when accompanied by a complete and unaltered copy of the PDS. The application form contains a declaration that the investor has personally received the complete and unaltered PDS prior to completing the application form.

The Responsible Entity will not accept a completed application form if it has reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS or if it has reason to believe the application form or electronic copy of the PDS has been altered or tampered with in any way. Whilst the Responsible Entity believes that it is extremely unlikely that, during the period of the PDS, the electronic version of the PDS will be tampered with or altered in any way, the Responsible Entity cannot give any absolute assurance that this will not occur.

Any investor who is concerned with the validity or integrity of an electronic copy of the PDS should immediately request for a paper copy of the PDS directly from the Responsible Entity.

Withdrawals

Making a withdrawal

You can decrease your investment in the Fund by redeeming units at any time. The Responsible Entity endeavours to effect payment of withdrawals within 5 Business Days of receiving your withdrawal request, however, this timeframe is not guaranteed and there may be occasions when timeframes are significantly longer. Under the Fund's constitution, we have 30 days to satisfy a redemption request. We will not satisfy a withdrawal request if the Fund becomes Illiquid (as defined under the Corporations Act). In certain circumstances, such as if there is a freeze on withdrawals, the Responsible Entity may delay payment of your withdrawal proceeds.

In addition to their share of the capital value of the Fund, and as part of the withdrawal proceeds, unit holders will receive their share of any net income of the Fund (corresponding to the unit class, the period of time during which their units were on issue, and the relevant distribution period). These proceeds are included in the applicable withdrawal unit price and will be treated as capital.

Direct investors

Direct withdrawal requests can be made daily, and must be received, verified and accepted by the Unit Registry prior to 12pm (Sydney time) on a Business Day. Withdrawal requests received after that time, or on a non-Business Day, will be treated as being received on the next Business Day. Electronic transfer of the withdrawal proceeds can take up to 7 Business Days, however it will often be completed in a shorter period of time.

There is a minimum withdrawal amount of $5,000 or less at the discretion of the Responsible Entity. In addition, if your withdrawal request would result in your investment balance being less than $25,000, we may treat your withdrawal request as being for your entire investment. We will provide investors with advance notice of any compulsory withdrawals. Alternatively, we may return your withdrawal request to you unprocessed.

Please note that we only make payments to your nominated bank or financial institution account. No third-party payments will be allowed. There may be circumstances, as permitted under the Fund constitution and Corporations Act, where your ability to withdraw from the Fund is restricted.

The following text contains further information on restrictions on withdrawals.

Indirect investors

Indirect investors should not complete the Fund's withdrawal form. If you are investing through an IDPS or a master trust, enquiries relating to your account should be made directly to the IDPS operator or the trustee of the master trust. The minimum investment balance does not apply to investments through an IDPS.

Delay to withdrawal payments

Under the Fund's constitution, the Responsible Entity may suspend withdrawal payments under certain circumstances for such period as it considers appropriate. This is likely to not exceed more than 30 days. These circumstances include, but are not limited to:

- we reasonably estimate that we must sell 5% or more of all the Fund's assets to meet outstanding withdrawal requests;
- total outstanding withdrawal requests require us to realise a significant amount of the Fund's assets, which may affect remaining unit holders (for example by creating an expense or tax burden);
- we reasonably consider it to be in the interests of unit holders to do so; or
- the law otherwise permits

Any withdrawal requests received during a period where withdrawals have been suspended, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

If the Fund becomes Illiquid

We may delay or suspend a withdrawal request where we are unable to realise certain assets due to circumstances outside our control, such as when there is restricted or suspended trading in assets held by the Fund, or where the Fund becomes non-liquid as defined by the Corporations Act.

The Fund will be non-liquid under the Corporations Act if it has less than 80% of liquid assets (generally cash and marketable securities). If the Fund is non-liquid, withdrawals from the Fund may only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do you will only be able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy all withdrawal requests, the requests will be satisfied proportionately among those unit holders wishing to withdraw from the Fund.

Other transactions

Switches

Direct investors may switch from the Fund to another fund managed by the Investment Manager, operated by us and serviced by the same Unit Registry. A switch operates as a withdrawal of units in one fund and the investment of units in the other fund and therefore may have taxation implications. Please contact a licensed financial or taxation adviser for further information.

There is no switching fee applicable as at the date of this document. However, a buy and/or sell spread or a contribution fee (where applicable) may apply to the relevant fund(s) at the time of the switch. Before making a decision to switch, you should read the relevant PDS located at the Investment Managers website.

Transferring ownership

You can generally transfer some or all of your investment to another person, although we are not obliged to process a transfer that does not meet prescribed criteria. Transfers may be subject to tax or other relevant regulations, and we recommend you acquire financial advice before making a decision regarding transferring your units.

Changes and delays to permitted transactions

We can vary the minimum investment amounts for the Fund at any time and can also change the transaction cut-off time. The Responsible Entity has the right to refuse applications or withdrawals for any reason.

Where we consider it to be in the interests of unit holders, we may suspend application or withdrawal requests. Any application or withdrawal request received during a period where transactions have been suspended, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

Cooling-off

If you wish to exercise the cooling off rights, investors who are retail clients have a 14-day cooling-off period in which to decide if the investment is right for you. The 14-day cooling-off period commences on the earlier of the end of the fifth Business Day after we issue the units to you or from the date you receive confirmation of your application.

The cooling-off period is not applicable to investments made through an IDPS or master trust. Investors should contact the IDPS operator or master trustee for further information.

5. How we keep you informed

Statements and reports

For the most up to date information on your investment visit the Investment Managers website.

At the Investment Manager's website, you can:

- access the PDS documents and the annual financial reports for the Fund;
- download Fund forms which includes the Application Form and other standard administration forms;
- monitor unit prices, investment performance and changes to the Fund; and,
- read the latest views and opinions of the Investment Manager's investment team.

By making an application to acquire a unit, you agree to receive certain communications and disclosures in relation to the Fund and units in digital form.

Confirmation statement

A statement of confirmation will be sent to you for your initial investment, as well as any additional investments and withdrawals, within 3 Business Days of processing via your preferred method of communication.

Transaction statement

You will receive a transaction statement on a half-yearly basis. The transaction statement will provide you with the total value of your investment as at the end of that period, including any switches, withdrawals, investments and distributions received.

Annual taxation statement

After making any distribution for the final distribution period (ending 30 June) each year, an annual taxation statement will be posted to the address on your account.

Distribution statement

A distribution statement will be sent to you in the month following the end of a distribution period, detailing your income distribution and current balance. Please contact us on 1300 010 311 if you would like to receive an estimate of any upcoming distributions in respect of the Fund.

Financial report

The annual financial report for the Fund you are invested in, detailing the financial performance of the Fund for the financial year ending 30 June, can be downloaded from www.pinnacleinvestment.com and will be available by 30 September each year.

Continuous disclosure

The Responsible Entity will comply with the continuous disclosure requirements for disclosing entities under the Corporations Act where the Fund is a disclosing entity.

This means that the Fund will be subject to regular reporting and disclosure obligations and copies of documents the Responsible Entity lodges with ASIC for the Fund may be obtained from or inspected at an ASIC office.

Upon request, and at no charge, the Responsible Entity will also send you copies of:

- The most recent annual financial report for the Fund lodged with ASIC.
- Any half year financial reports for the Fund lodged with ASIC after the lodgment of the most recent annual financial report and before the date of the relevant PDS.
- Any continuous disclosure notices given by the Fund after the lodgment of that annual report and before the date of the PDS.

Also, we will comply with our continuous disclosure obligations for the Fund by publishing material information on the Fund's webpage.

6. Fees and other costs

This section provides summary information about the main fees and costs that you may be charged for the Fund. The fees and costs charged by the Fund may be deducted from your account, from the returns on your investment or from the Fund's assets as a whole.

Additional explanation of fees and other costs

Management costs

The management costs, in relation to the Fund, are generally the administration and investment fees and costs (excluding transaction costs) of the Fund.

These costs include (where relevant):

- Responsible Entity fees;
- administration costs;
- safekeeping fees;
- audit costs; and,
- legal costs.

The Investment Manager pays management costs out of the fees it receives. Therefore, for the Fund, the management fee, and indirect costs will typically reflect the total management costs.

Indirect Costs

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs, where relevant. The Fund's indirect costs are estimated to be 0.00%, which is the actual indirect costs amount for the Fund for the previous financial year. The actual indirect costs payable (if any) will depend on the investments of the Fund and the indirect costs estimate provided may not be a reliable indicator of future indirect costs of the Fund.

Extraordinary expenses

In general, the management fees and indirect costs are all that will be charged. However, under certain circumstances, extraordinary expenses may be paid directly by the Fund. Extraordinary expenses are not of an ongoing nature. Examples of this type of expense include:

- convening of a unit holders' meeting;
- termination of the Fund;
- amending the Fund's constitution;
- defending or bringing of litigation proceedings; and
- replacement of the Responsible Entity.

Transaction costs

Transaction costs associated with dealing with the Fund's assets may be recovered from the Fund. Transaction costs, other than any buy/sell spread (which is described below), may include brokerage, settlement fees, clearing costs and applicable stamp duty when underlying assets are bought or sold.

The total transaction costs incurred by the Fund for the previous financial year were calculated to be $55 based on a $50,000 holding (approximately 0.11% of total average net assets). The total transaction costs, net of buy/sell spread recovery, were calculated to be approximately 0.00% of total average net assets, or $0 based on a $50,000 holding. These net transaction costs are borne by the Fund as an additional cost to investors and are shown above in the "Fees and costs summary". These costs are in addition to the management costs set out above. These estimated costs are based on the actual amount for the Fund for the previous financial year.

Transactional and operational costs are paid out of the assets of the Fund and are not paid to Investment Manager.

Buy/sell spread

The buy/sell spread forms part of the transaction costs. When you invest or withdraw all or part of your investment, we generally apply a cost via a unit price 'buy/sell spread', which is an additional cost to you and retained by the Fund. A buy/sell spread operates to increase the relevant unit price for each new investment and to decrease the unit price for each withdrawal to cover costs of underlying portfolio transactions, which include brokerage, share settlement and clearing fees, government charges/stamp duty, bank charges and foreign exchange transaction fees. The current buy/sell spread for the Fund, which is an estimate of these costs, is +0.25%/-0.25% on both investment and withdrawal. For example, if $50,000 was invested in, or withdrawn from, the Fund the cost of your buy/sell spread would be $125 in and $125 out.

The purpose of the buy/sell spread is to ensure that the costs to the Fund of buying or selling underlying assets are borne by investors as they invest or withdraw and to not disadvantage longer term investors remaining in the Fund.

From time to time, we may vary the buy/sell spread. Any revised spread will be applied uniformly to transacting investors while that spread applies. In circumstances where the Responsible Entity determines that unit holders of the Fund are not being treated equitably (for example, withdrawals in stressed and dislocated markets), the buy/sell spread may be higher than our estimate.

The Responsible Entity has discretion to waive or reduce the buy/sell spread where the Fund incurs no costs, or reduced costs. Investors will be provided with notification of any changes to the buy/sell spread via Aikya's website at www.aikya.co.uk.

Incidental fees and costs

Standard government fees, duties and bank charges may also apply to your investments and withdrawals, including dishonour fees and conversion costs.

Adviser fees

We do not pay fees to financial advisers. If you consult a financial adviser, you may incur additional fees charged by them. You should refer to the Statement of Advice they give you for any fee details.

Payment to IDPS operators

Subject to the law, annual payments may be made to some IDPS operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Fees for indirect investors (additional master trust or wrap account fees)

Indirect investors must also refer to the fees and costs payable for the IDPS, master trust or wrap account they are investing through. The IDPS operator will be the registered holder of the units and may charge you fees that are different or in addition to the Fund's fees detailed in this section. You should refer to the offer document for the relevant IDPS, master trust or wrap account for more information.

Differential fee arrangements

The management costs of the Fund may be negotiated with persons who qualify as wholesale clients within the meaning of the Corporations Act, such as sophisticated or professional investors. In negotiating such fees, we will take into consideration our obligations under the Corporations Act. Such arrangements will be by individual negotiation and will be disclosed separately to relevant clients. Please contact us on 1300 010 311 for further details.

Changes to fees and other costs

We reserve the right to change fees and other costs, subject to any limitations under the Fund constitution and applicable law. We will give investors 30 days' notice prior to increase in any fees.

The Fund constitution provides for various fees, specifically an application fee and withdrawal fee which we do not currently recover from the Fund.

For more information on fees and costs

If you would like to better understand how our fee structure may impact your investment in the Fund, we recommend that you speak to your financial adviser or visit the ASIC website at www.moneysmart.gov.au where a fee calculator is available to help you compare the fees of different managed investment products.

7. Taxation

WARNING: Investing in a registered managed investment scheme may have tax consequences. You are strongly advised to seek professional tax advice.

The taxation implications of investing in the Fund can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units on capital account or revenue account. This summary may not be relevant for investors that are subject to special tax rules such as banks, superannuation funds, insurance companies, managed investment trusts, tax-exempt organisations and dealers in securities.

The following tax comments have been prepared on the assumption that:

- the investor holds the units on capital account as a long-term investment;
- the Fund qualifies as an attribution managed investment trust ('AMIT') within the meaning of Section 276-10 of the *Income Tax Assessment Act 1997* (Cth) and the Responsible Entity of the Fund elects to apply the AMIT regime to the Fund; and
- the Fund has made an irrevocable "capital election"' to apply the Capital Gains Tax ('CGT') provisions pursuant to Section 275-115 of the *Income Tax Assessment Act 1997* (Cth) applicable to certain "covered assets"

Income of the Fund

The Fund has been established as an Australian resident unit trust. In accordance with the AMIT provisions, the Fund is required to determine certain amounts (e.g. assessable income, exempt income, non-assessable non-exempt income and tax offsets). The Fund then attributes these amounts of assessable income, exempt income, non-assessable non-exempt income, and tax offsets (referred to as "characters") to investors on a fair and reasonable basis in accordance with their interests. The attributed trust amounts retain their tax character in the hands of investors will be taxed on their attributed amounts even where amounts are not distributed in cash. Investors will be provided with an AMIT Member Annual ('AMMA') Statement for tax purposes after 30 June each year to assist the investor in determining their tax position. The AMMA Statement will advise all amounts attributed to an investor by the Fund for inclusion in their income tax returns. The AMMA statements will also advise the character of the income, and any cost-base adjustments required to the units. Generally, no Australian income tax will be payable by the Responsible Entity of the Fund where investors are attributed with all taxable characters of the Fund each year.

The Fund's investments and activities are likely to give rise to income, dividends, and capital gains and losses. Further detail in respect of the Australian tax treatment of these income/gains and losses at the Fund level is provided below.

In normal circumstances, you should expect the Fund to derive assessable income and/or capital gains each year.

Fund Franking credits

The Fund may derive franking credits from the receipt of franked dividends. These franking credits will be attributed to investors if certain conditions are met. One of these conditions is that the 45-day holding period rule has been satisfied by the Fund.

Tax losses

In the case where the Fund makes a loss for tax purposes, the Fund cannot distribute the loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in determining the income tax position in subsequent years.

Taxation of Financial Arrangements (TOFA) rules

The TOFA rules apply tax timing methods to certain "financial arrangements". The TOFA rules mandatorily apply to all financial arrangements entered into by the Fund (for example debt securities and hedging arrangements), provided that the TOFA eligibility criteria is met by the Fund and no exclusions from the TOFA rules apply. Broadly, the TOFA rules have the effect of treating gains and losses from financial arrangements on revenue account and recognise certain gains and losses on an accruals basis which may, in certain circumstances, result in a taxing point prior to the realisation of the investments (unless a specific TOFA elective methodology is adopted).

Taxation of Australian resident investors

Investors are generally subject to tax on their share of the taxable characters attributed to them by the Fund each year. Investors are treated as having derived their share of the taxable characters of the Fund directly on a flow through basis.

The way in which investors are taxed will depend on the underlying nature of each character they receive (for example, franked dividends to which franking credits may attach, capital gains, foreign income to which foreign income tax offsets (FIFO's) may attach, or interest income).

The AMMA Statement, provided to investors after 30 June each year (within 3 months of the end of the income year), will outline the amounts attributed to you by the Fund and the nature of those amounts (i.e. the characters of the total amount attributed), including any FIFO's and franking credit entitlements.

Capital gains

To the extent that an investor is attributed with characters of assessable capital gains, investors will include the capital gain in their net capital gain calculation. Certain investors may be entitled to apply the relevant CGT discount in working out the net capital gain (i.e after offsetting capital losses) to include in their assessable income (refer further comments below).

Investor Franking credits

If franking credits are attributed to investors by the Fund, investors must include the amount of the franking credits in addition to the franked dividend income in their assessable income.

Certain requirements, including the 45-day holding period rule, may need to be satisfied in order to utilise franking credits in relation to dividends. The investor's particular circumstances will be relevant to determining whether the investor is entitled to any franking credits, in respect of franked dividends. Where entitled, a tax offset equal to the franking credits will be applied against the tax otherwise payable by investors on their total assessable income, subject to the investor satisfying specific conditions. Corporate investors may be entitled to convert any excess franking credits into tax losses. Certain other investors may be entitled to obtain a refund of any excess franking credits.

Under and overstatements of taxable income

If the Responsible Entity discovers understatements or overstatements of taxable income and tax offsets in prior years, the Responsible Entity has the ability under the AMIT regime to deal with these understatements and overstatements in the financial year in which they are discovered ('discovery year') or to carry these forward to be dealt with in a future income year. That is, the distribution statements in relation to the discovery year may be adjusted to take into account these understatements or overstatements from a prior financial year, rather than re-issuing amended distribution statements for the prior financial year to which the understatements or overstatements relate to.

The amount of attributed income from the Fund which the investor is required to include in their assessable income may be different to the cash distributions received by an investor in respect of their units. This is because the distributions received on the units may be determined by reference to the cash returns received in respect of the Fund, whereas the attributable income of the Fund is determined by reference to the overall income tax position of that Fund.

An investor may be required to make, in certain circumstances, both upward or downward adjustments to the cost or cost base of their unit holding, where there is a difference between the cash amount distributed by the Fund and the taxable characters attributed by the Fund to investors for any income year.

If the amount of cash distribution received in relation to an income year exceeds the taxable characters (including the discount component of any discounted capital gains) attributed by the Fund, the cost base of the investor's units in the Fund should be reduced by the excess amount. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. Should the cost base of the units be reduced to below zero, the amount in excess of the cost base should be treated as a capital gain that is to be included in the investor's calculation of their net capital gain.

Conversely, where the cash distribution amount received in relation to an income year falls short of the taxable characters (together with the discount component of any discount capital gain) attributed by the Fund during a financial year, the cost base of the investor's units in the Fund should be increased by the shortfall amount.

Foreign Source Income and Foreign Income Tax Offset (FITO)

The Fund is expected to derive foreign source income that might be subject to tax overseas, for example withholding tax and/or foreign income tax. Australian resident investors may be entitled to a FITO for foreign tax paid by the Fund in respect of the foreign income received by the Fund. Australian resident investors should include in their assessable income the gross amount of foreign income (i.e. inclusive of any FITO) attributed to them by the Fund.

To the extent investors do not have sufficient overall net foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Withdrawals from the Fund and disposal of units

The withdrawal or disposal of a unit in the Fund is the disposal or cancellation of a CGT asset by an investor and a CGT event for tax purposes. To the extent that the proceeds exceed the cost base of the unit, you will make a capital gain. However, if the proceeds are less than your reduced cost base, you will make a capital loss. Generally, a capital loss can only be used to offset against capital gains derived in the current or a future tax year (subject to satisfying certain conditions).

An individual, trust or complying superannuation entity may be able to claim the benefit of the CGT discount if they have held the units for 12 months (excluding the acquisition date and disposal date). A corporate investor cannot claim the benefit of the CGT discount. Gains and losses realised by an investor who holds their units on revenue account will be taxable as ordinary income or an allowable deduction and will not qualify for the CGT discount.

It is important to highlight that on 8 May 2018 the Australian Government announced a proposed measure to prevent Managed Investment Trusts (MITs) and AMITs from applying the CGT discount at the trust level. Following various deferrals of this measure (i.e due to the COVID 19 crisis) it was announced. That the start date for this proposal to apply would be revised to income years commencing on or after three months after the date of Royal Assent of the enabling legislation. At present, the legislation to introduce this new proposal has not yet been released. Further, following the Federal Election in 2022, the current Australian Government has not confirmed whether it will proceed with this proposal. Notwithstanding, , it is recommended that any investors which are MITs or AMITs seek independent professional taxation advice in relation to the status and implications of this proposal before investing in the Fund.

Non-resident individual unit holders

The above taxation summary is only for investors who are residents of Australia for tax purposes. The tax treatment of non-resident investors in the Fund depends on the investor's particular circumstances and the provisions of the relevant Double Tax Agreement between Australia and the country of residence. It is important that non-resident investors seek independent professional taxation advice before investing in the Fund.

The Fund may be required to withhold tax on part, or all, of the distributions made to non-resident investors.

Goods and Services Tax ('GST')

Unless otherwise stated, the fees quoted in this PDS are inclusive of the net effect of GST and Reduced Input Tax Credits ('RITC'). The rate of GST and any other taxes may change if the relevant law changes.

Investors should not be directly subject to GST when applying for or withdrawing Units. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim RITCs for GST incurred on certain expenses.

Tax File Numbers and Australian Business Numbers

You are not required to quote your Tax File Number ('TFN') or, if you have one, an Australian Business Number ('ABN')[6] or claim an exemption from providing a TFN. The rate of GST and any other taxes may change if the relevant law changes.

However, if a TFN or ABN is not provided, or an exemption is not claimed, we are required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy (and any other levies required to be withheld from distributions from time to time). If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN. The ABN, TFN or an appropriate exemption can be provided on the Application Form when making an initial investment. The collection of TFNs is authorised and their use is strictly regulated by tax and privacy laws.

[6] Under AML/CTF Law, disclosure of an ABN is required for those individual investors who are a sole trader.

Tax reforms

The expected tax implications of investing in the Fund may change as a result of changes in the taxation laws and interpretation of them by the Courts and/or the Australian Taxation Office.

It is recommended that investors obtain independent taxation advice that takes into account your specific circumstances regarding investing in the Fund and the potential application of any changes in the tax law.

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

Tax evasion is a global problem and international cooperation and sharing of high quality, predictable information between revenue authorities will help them ensure compliance with local tax laws. FATCA was enacted by the United States (U.S.) Congress to improve compliance with U.S. tax laws by imposing due diligence and reporting obligations on foreign financial institutions, notably the obligation to report U.S. citizen or U.S. tax-resident account holders to the U.S. Internal Revenue Service ('IRS').

Similar to FATCA, the CRS for the automatic exchange of information, is a single global standard for the collection and reporting to tax authorities of information by financial institutions on non-Australian residents.

Accordingly, we may request certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or CRS obligations. In the event that the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity acting on behalf of the Fund, will be required to compensate you for any such tax, except in exceptional circumstances.

8. Privacy

All Personal Information will be collected, used and stored by the Responsible Entity in accordance with our Privacy Policy, a copy of which is available at www.pinnacleinvestment.com or on request.

Collecting and using your information

The Unit Registry on behalf of the Responsible Entity may collect Personal Information during the application process. We may gather information about you from a third party. These include credit agencies, financial advisers, fund managers or intermediaries and appointed agents. We may also collect details of your interactions with us and our products and services (including from our records of any telephone and email interactions).

If you provide someone else's personal information to us, you must ensure that they first agree on the basis of this privacy section.

We will only collect personal information that is reasonably necessary for one or more of our functions or required or authorised by law. Generally, this means we collect information for the following purposes:

- to process your application;
- to administer your investment and provide you with reports;
- to monitor and improve the quality of service provided to you; and
- to comply with regulatory or legal requirements, including the Corporations Act, the AML/CTF Law, FATCA and CRS.

We may use your Personal Information so that we and our related companies can communicate with you to promote products and services that may be of interest to you.. Please contact us if you do not wish your details to be used for marketing purposes.

Accessing and correcting your details

You can access, correct or update any Personal Information we hold about you, subject to some exceptions allowed by law, by contacting 1300 010 311. We may charge a reasonable fee for access to your Personal Information. To ensure that the Personal Information we retain about you is accurate, complete and up to date, please contact us, if any of your details change.

What happens if you don't provide information

If, for any reason, you don't provide all necessary information, we may not be able to process your application, and this may have implications for your investment account. For example:

- we may not be able to give effect to subsequent transaction requests (including additional applications or withdrawals) until all required information has been provided;
- we may need to notify the Australian Taxation Office or international tax offices, or apply the highest marginal tax rate to any payments made to your accounts.

Disclosing your information

We may exchange your Personal Information with your adviser, authorised representative, Power of Attorney and any other third parties if you request or provide consent to us. In addition, we may exchange Personal Information about you in the following circumstances:

- you consent to the disclosure;
- such disclosure is to your joint investor (if any);
- such disclosure is to companies that provide services to us, to our related bodies corporate (as defined in the Corporations Act), to the Fund, or on our behalf (and our related bodies corporate may also exchange personal information with these companies) - for example administration, custody, investment management, technology, identity verification, auditing, registry, mailing or printing services. These service providers may be located outside Australia, where your Personal Information may not receive the same level of protection as that afforded under Australian law;
- where required or authorised by law, which may include disclosures to the Australian Taxation Office and other Government or regulatory bodies; or
- such disclosure is to organisations related to us such as whether in Australia or any overseas jurisdiction.

9. Investment by New Zealand investors

WARNING: Issues to NZ investors.

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars.

The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

10. Additional Information

Appointment of authorised representative

A person appointed as your authorised representative is authorised by you to:

- apply for units in the Fund and sign all documents necessary for this purpose;
- make requests to redeem all or some of your units (Note: withdrawals processed as directed by the authorised representative fully discharges our withdrawal obligations to you); and
- make written requests for information regarding your units.

The Responsible Entity may act on the sole instructions of the authorised representative until the Responsible Entity is notified that the appointment of the authorised representative is terminated.

You can cancel your appointment of the authorised representative by giving the Responsible Entity 14 days prior notice. Termination of an appointment does not prejudice the following statement. By appointing an authorised representative, you agree to release, discharge and indemnify the Responsible Entity from and against any loss, expense, action, claims or other liability which may be suffered by you or brought against the Responsible Entity for any actions or omissions by you or your authorised representative, whether authorised or not by you or your authorised representative. Any request for information by an authorised representative will be responded to in writing only. Such written responses will be sent to the authorised representative's email/fax/residential address nominated on the Authorised Representative Form.

If an authorised representative is a partnership or a company, any one of the partners or any director of the company is each individually deemed to have the powers of the authorised representative. It is sufficient for the Responsible Entity to show that it had reasonable grounds for belief that an action was taken or a request given by or for an authorised representative, when determining whether an action or request was taken or given by the authorised representative.

11. Defined terms

Term	Definition
ABN	Australian Business Number.
Administrator	the appointed administrator of the Fund is Citigroup Pty Limited.
AFSL	an Australian financial services licence issued by ASIC.
AMIT	attribution managed investment trust.
AML/CTF Law	our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and associated rules and regulations.
Aikya or Investment Manager	Aikya Investment Management Limited
Application Form	the application form for the Fund.
ASIC	Australian Securities and Investments Commission.
Business Day	a day which is not a Saturday, Sunday or public holiday in Victoria or New South Wales, Australia.
Buy/Sell Spread	the difference between the entry and exit price for a Fund, relating to transaction costs. It is a set, average percentage amount paid by investors when they transact.
CGT	Capital Gains Tax.
Corporations Act	the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth).
CRS	OECD Common Reporting Standards.
FATCA	Foreign Account Tax Compliance Act.
Fund	Aikya Emerging Markets Opportunities Fund ARSN 653 056 092.
Fund Forms	the Aikya Fund Forms which incorporate all the necessary forms required for changing your details, applying to, or redeeming from Aikya Funds.
Gross Asset Value (GAV)	the market value of a Fund's assets determined in accordance with the constitution and applicable accounting standards.
Illiquid	that a fund has liquid assets that amount to less than 80% of the fund's assets having regard to Section 601KA of the Corporations Act.
Initial investment	an Investor's initial investment which requires the opening of a new Fund account.
Investor Directed Portfolio Service ('IDPS')	or IDPS-like scheme or a nominee or custody service (collectively referred to as master trusts or wrap accounts), refers to a service that allows a person to access the Fund indirectly.
Liquid	that a fund has liquid assets that amount to at least 80% of the fund's assets having regard to Section 601KA of the Corporations Act.

Term	Definition
Net Asset Value (NAV)	the total value of the Fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund, but excludes unit holder liabilities.
PDS	Product Disclosure Statement for the Fund.
Personal Information	information or an opinion (including information or an opinion forming part of a database) whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion, which is collected or held by the Responsible Entity.
Pinnacle	Pinnacle Investment Management Limited ABN 66 109 659 109 AFSL 322140.
Pinnacle Fund Services Limited or Responsible Entity	Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371.
Related Body Corporate	as that term is define in Section 9 of the Corporations Act.
Relevant Law	any requirement of the Corporations Act, the Australian Securities and Investments Commission Act 2001 (Cth), the Superannuation Industry (Supervision) Act 1993 (Cth), the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth), the Superannuation Prudential Standards issues by the Australian Prudential Regulation Authority from time to time, the AML/CTF Law and any other present or future law of the Commonwealth of Australia or any State or Territory with which the Responsible Entity, Aikya, or the governing rules of the Fund must satisfy in order: 1. to secure imposition at a concessional rate of any income tax which, in the opinion of the Responsible Entity, is or may become payable in connection with the Fund; or, 6. for the Responsible Entity or Aikya to avoid a relevant penalty, detriment or disadvantage.
RITC	Reduced Input Tax Credits.
TFN	Tax File Number.
The US Securities Act	US Securities Act of 1933, as amended.
Unit Pricing Policy	a compliant policy adopted by the Responsible Entity for unit pricing discretions it uses in relation to the Fund.
Unit Registry	the appointed unit registry of the Fund is Citigroup Pty Limited.

Term	Definition
US Persons	U.S. Person, as defined in Regulation S of the U.S. Securities Act 1933, include: • any natural person resident in the United States; • any partnership or corporation organised or incorporated under the laws of the United States; • any estate of which any executor or administrator is a US Person; • any trust of which any trustee is a US Person; • any agency or branch of a foreign entity located in the United States; • any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; • any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or • any partnership or corporation if organised or incorporated under the laws of any foreign jurisdiction and formed by a US person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended ('the Act'), unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Act) who are not natural persons, estates or trusts.
Withdrawal Request	the form that must be completed when making a withdrawal of your investment from the fund.