

AIKYA

Aikya Emerging Markets Opportunities Fund

ARSN 653 056 092 APIR WHT2409AU ISIN AU60WHT24097

Additional Information to the Product Disclosure Statement

Dated 15 December 2021

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

Contents

1. Key features of the Fund	3
2. Additional information about how we invest your money	4
3. Risks	7
4. How the Fund works	12
5. Investing in the Fund	14
6. How we keep you informed	18
7. Fees and costs.....	19
8. Taxation	22
9. Privacy.....	25
10. Investment by New Zealand investors.....	26
11. Additional Information	27
12. Defined terms	28

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'). The PDS and Additional information to the PDS should be considered before making a decision to invest in the Fund. You can access the PDS on the internet at www.aikya.co.uk or call 1300 010 311 for a copy.

None of the Responsible Entity, Pinnacle and Aikya guarantees the performance of the Fund or the return of capital or income. Your investment in the Fund is subject to investment risk. This could involve delays in repayment and loss of income, or the principal invested.

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.

The investment offered in the PDS and Additional information to the PDS is available only to persons receiving the PDS (electronically or in hard copy) within Australia and New Zealand. Units in the Fund may not be offered or sold within the US, or sold to, or for the account or benefit of, any 'US Persons' (as defined in Regulation S of the US Securities Act 1933, as amended).

All monetary amounts referred to in the PDS and Additional information to the PDS are given in Australian dollars and all telephone/fax numbers are to telephone/fax numbers in Australia (unless otherwise stated). All calculation examples shown are rounded to the nearest whole dollar.

A reference to a 'Business Day' is a reference to a day which is not a Saturday, Sunday or public holiday in Victoria or New South Wales, Australia.

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, at www.aikya.co.uk. You can also obtain updated information by contacting Aikya on 1300 010 311. A paper copy of any updated information is available free on request. 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.

1. Key features of the Fund

Feature	Summary	Section
Responsible Entity	Pinnacle Fund Services Limited	
Investment Manager	Aikya Investment Management Limited	Refer to the Fund's PDS
Administrator	Citigroup Pty Limited	
Investment objective ¹	The Fund aims to achieve long-term capital growth by investing in high quality companies. These companies should make a positive contribution to sustainable development within the countries in which they operate.	
Benchmark	MSCI Emerging Markets Net Index in AUD	Refer to the Fund's PDS
Minimum suggested investment timeframe	5 years	
Risk level	High	
Minimum initial investment ²	\$25,000	5
Minimum additional investments ²	\$5,000	5
Minimum investment balance ²	\$25,000	5
Minimum withdrawal amount ²	\$5,000	5
Transaction cut-off time	12pm (Sydney time)	5
Fees and expenses ^{3,4}	Management fee: 1.28% p.a. on the net asset value of the Fund	7
Buy/Sell spread	+0.25% / -0.25%	7
Distribution frequency	Distributions are payable annually.	4

1. The investment objective is expressed after the deduction of management fees, expense recoveries and taxation, i.e. the investment objective is measured relative to the Fund's benchmark, after fees and costs and taxes are deducted from the Fund's performance. Refer to Sections 7 and 8 for further information on fees and costs and taxation. The investment objective is not intended to be a forecast; it is only an indication of what the investment strategy aims to achieve over the medium to long term, assuming financial markets remain relatively stable during that time. The Fund may not achieve its investment objective and returns are not guaranteed.
2. Or less at the discretion of the Responsible Entity.
3. Fees and costs may can be negotiated for certain investors such as wholesale clients (as defined in the Corporations Act), depending on factors such as the amount invested. See 'Differential fee arrangements' below for further information about negotiable fees.
4. Fees are inclusive of GST and net of any applicable Reduced Input Tax Credits ('RITC').

2. Additional information about 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.

Aikya's investment philosophy

Our purpose is to generate healthy long-term returns with strong downside protection. Risk for us is the possibility of permanent loss of capital rather than underperforming the benchmark in the short-term. Downside protection is achieved through investing in high-quality companies, when they are available at sensible valuations.

We judge the quality of a company in three ways:

- **Quality of Stewardship:** Is there a strong sense of purpose? To what extent is strategy and product/market road map aligned to the stated purpose? How good is their Environmental, Social and Governance (ESG) stewardship? Is the organisation culture fit for purpose? Does their capital allocation history demonstrate discipline and conservatism?
- **Quality of Franchise:** What is the long-term sustainable growth potential for the business? Does the business have a durable competitive advantage? How healthy and resilient have returns on invested capital been through economic cycles?
- **Quality of Financials:** How conservatively managed is the balance sheet? How well do the earnings convert to cashflows? Are the accounts transparent and conservative? Is there a currency mismatch between cashflows and liabilities?

We believe that the quality of stewardship is seldom priced correctly by the market. Most analysts are obsessed with near-term financial results and fail to see the linkages between good stewardship and franchise strength. 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 sustainability issues, are critical in driving long-term competitive advantages for companies. When such businesses operate within favourable industry structures with large addressable markets, they are 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 our investment approach.



Investment Strategy

Our Investment Process consists of five steps:

1. Idea generation. Every year the team meets hundreds of companies and takes a closer look at 30-40 new investment ideas.
2. Stock Selection. We maintain a Quality List, which consists of companies which pass our due diligence. New ideas are subjected to a robust due diligence process typically lasting 12-18 months. In time, the team debates whether new ideas graduate to the Quality List.
3. Portfolio Construction. Portfolios typically contain 30-35 sensibly priced companies from the Quality List.
4. Monitor and Engage. The team monitors the companies held in client portfolios and the Quality List and engages with the management on a range of ESG issues.
5. Sell Decisions: Sell the position when the investment thesis changes, or the risk/reward based on our valuation expectations is poor.

Investment markets exposure

The fund is exposed to shares and securities in emerging economies, including shares and securities listed in developed markets whose activities predominantly take place in emerging market countries.

Portfolio Construction

The following questions are considered while constructing the portfolio:

- Risk vs Reward Consideration: How much money can we lose on a position? What US\$ returns can we generate over the next 10 years by holding this position? We observe strict valuation discipline while deciding which names to hold in a client portfolio from our Quality List.
- Sustainability Considerations: Position size of a company in the portfolio reflects our conviction in the company's sustainability credentials. How strong is the company's social utility?
- Diversification Considerations: Does the stock provide any diversification benefit to the portfolio? We look at long-term drivers of companies and try to diversify our portfolio based on the underlying drivers. For example, for Banco de Chile which is operating in a small resource exporting economy like Chile, resource prices are quite important drivers for long-term value, while Kotak Mahindra which operates in a large domestic economy such as India is largely driven by genuine domestic drivers.
- Currency Risk. As US\$ investors, we are quite careful about the risks we are taking with these EM currencies. We hardly invest in a company with US\$ debt on the balance sheet but with local currencies cashflows. We usually invest in exporters in a country,

as well as strong domestic franchises with pricing power. A lot of our companies have the history of showing strong earnings growth in US\$ terms despite local currency volatility. Certain EM countries have a history of imposing capital controls (often followed by currency devaluation) or suspending stock market trading for a long period. We do not invest in such countries.

- **Liquidity Considerations:** As Emerging Market investors who have survived through various market cycles, we are conscious of liquidity constraints. We carefully consider the time taken to liquidate a position under normal and distressed conditions and use this information to drive the position size in a portfolio.

There are two types of positions in Aikya portfolio.

- **Sustainable Leaders:** These are the core holdings in our portfolio. These companies have best-in-class stewardship, with dominant and diversified franchises, operating within industries with strong growth tailwinds. When it comes to their financials, they produce high returns on capital and maintain robust balance sheets. They have long operating histories (20+ years) and proven resilience. Sustainable Leaders typically make up around 45-50% of the portfolio. The position size of each Sustainable Leader could be up to 10% of the portfolio at book cost. The only exception is banks, where we limit the maximum position size at 4%, because even the best managed banks are leveraged entities and therefore inherently risky. We typically build (and exit) positions gradually, as our return expectations increase (or decrease) over time, as a result of share price movement or changes to our long-term FMV assumptions.
- **Quality companies:** These companies have passed our quality tests but are not yet as diversified as Sustainable Leaders. They are controlled by high-quality stewards and have strong balance sheets, but the consistency of their cashflows and returns may be less robust, and the operating history is typically shorter. Position sizes are capped at 4% (book cost). These companies make up 45-50% of the portfolio.

While the investment process is team driven, we do not make decisions by committee. Final decision on the portfolio is made by the lead Portfolio Manager, but most of the time, this decision is in line with the team's thinking.

Running portfolios is often about keeping a fine balance between conviction and self-doubt. Too much conviction, and you end up taking too much risk; while too much self-doubt makes it hard to run concentrated portfolios. Therefore, we actively promote a collegiate culture in the team, where younger analysts are encouraged to oppose the views of more experienced analysts. If there is too much conviction around certain positions, team members are likely to come up with various risk scenarios attacking those positions, whilst also carrying out more work to increase conviction around other positions. Everyone's opinion is valued, we don't have a 'star manager' culture.

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 Aikya's website www.aikya.co.uk or in written or electronic form. Upon request, a hard copy of any updated information will be provided without charge.

3. Risks

Risk profile

Depending on the weighting of investments in particular assets, the Fund will have different earnings and risk profiles.

Generally, the greater the potential return of an investment, the greater the risk of loss. To help understand the correlation between risk and return, investors should refer to the following table where, in the second column various risk categories are defined and the third column shows this correlation of potential return.

Risk Category	Description	Potential Return ¹
Low	For investors who are looking for some growth but are mostly concerned about protecting their capital.	Low
Low-Medium	For investors who are looking for good long-term returns without large ups-and-downs in the short-term. Investors should aim to invest over a medium period.	Low-Medium
Medium-High	For investors who are prepared to take more risk in exchange for potentially higher returns on their investments over the longer term. Investors should be comfortable with volatility and with the possibility of negative returns.	Medium
High	For investors who are willing to take more risk in search of greater returns. Investors should be comfortable with volatility and with the greater possibility of negative returns and should aim to invest over a long period.	High

1. Past performance is no guide to future performance and cannot be relied upon to predict the future value of an investment.

Financial Advice

It is recommended that investors obtain professional advice before making any investment decision. Using the categories outlined above is not a substitute for personal advice or a detailed financial plan. The information provided is only a guide to help investors consider their approach to investing. It is recommended investors speak with an adviser to decide on an investment strategy that is best suited for them.

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.

None of the Responsible Entity, Pinnacle, Aikya, 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 Aikya 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.

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

When investments are concentrated in a smaller 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.

Refer also to 'Derivative risk'.

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.

Refer also to 'Counterparty risk'.

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), realized 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, risk that taxation or other applicable laws may change in Australia that 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 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 2001 (Cth), and other laws (such as regulatory updates, government policies, or taxation rules). Investing in the Fund 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 investor 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 the Underlying Fund will face transaction restrictions or liquidity constraints.

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 buyers. 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 manager 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 unitholders 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).

Refer also to 'Investment structure risk'.

Withdrawal risk

When the Fund is liquid, 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 may 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 2001 (Cth).

Refer also to 'Investment structure risk', 'Liquidity risk', and 'Market risk'.

4. How the Fund works

How the Fund is valued

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 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.

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 units divided by the number of units. Generally, the unit price changes daily as the market value of the Fund's assets rises or falls.

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 website, www.aikya.co.uk. 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 7 'Fees and Costs'). A copy of documents outlining the unit pricing methodologies and practices, including information about the circumstances, where the Responsible Entity may exercise discretion in determining a unit price and the value of Fund assets is available on request, at no charge, by calling the Responsible Entity on 1300 010 311.

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.

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.

Income 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 Fund's Administrator. 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.

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 2001 (Cth), with other Relevant Laws.

The Fund's 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 unitholders 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. Please contact us on 1300 010 311 for further details.

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 2001 (Cth) and other relevant laws.

As a registered managed investment scheme, the Fund's compliance plan has been lodged with the Australian Securities and Investments Commission ('ASIC').

Appointed third parties

The Responsible Entity may appoint third parties to assist with the operational management or governance of the Fund. Unless specifically stated, these third parties have no independent discretion with respect to investment management of Fund's assets.

5. Investing in the Fund

Applications

Making an application

Direct investors

A copy of the Application Form can be obtained on the Fund's website at www.aikya.co.uk, or by contacting us on 1300 010 311 or by email at invest@pinnacleinvestment.com. You can also invest in this Fund via the online application form.

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 Fund Administrator.

Applications received, verified and accepted by Citi 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 Investor Directed Portfolio Service ('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 unitholder 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. 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.

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').

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 constitution;
- b. acknowledges having read and understood the PDS located at www.aikya.co.uk;
- 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 7 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 Citi 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 should be made directly to the IDPS operator or the trustee of the master trust. The minimum balance does not apply to investments through an IDPS.

Delay to withdrawal payments

The Responsible Entity endeavours to effect payment of withdrawals within 7 days of receiving a valid withdrawal request; however, this timeframe is not guaranteed and there may be occasions when timeframes are significantly longer.

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 unitholders (for example by creating an expense or tax burden);
- we reasonably consider it to be in the interests of unitholders 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 unitholders wishing to withdraw from the Fund.

Other transactions

Switches

Direct investors may switch from the Fund to another fund managed by Aikya and operated by us at any time. 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 www.aikya.co.uk.

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 unitholders, 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.

Transaction cut off times

Generally, transaction requests for direct investors can be made every Business Day, and must be received, verified and accepted by Citi prior to 12pm (Sydney time) on a Business Day. Requests received after that time, or on a non-Business Day, will be treated as being received on the next Business Day.

Indirect investors may be subject to earlier transaction cut-off times. Indirect investors should contact their IDPS operator for transaction cut-off time information.

Cooling-off

If you wish to exercise the cooling off rights, investors 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.

6. How we keep you informed

Statements and reports

For the most up to date information on your investment visit www.aikya.co.uk.

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 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 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.

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.aikya.co.uk 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 website.

7. Fees and 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 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;
- borrowing costs; and,
- legal costs.

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

Indirect Costs

Indirect costs form part of management 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, performance fees (when accrued), 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 unitholders' meeting;
- termination of the Fund;
- amending the Fund 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 \$130 based on a \$50,000 holding (approximately 0.26% of total average net assets). The total transaction costs, net of buy/sell spread recovery, were calculated to be approximately 0.01% of total average net assets, or \$5 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 Aikya.

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 is 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 unitholders 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 Investment Manager pays costs out of the management fees received. 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.

8. 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.

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 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.

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 its taxable income for the financial year. 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. 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 income and/or capital gains each year.

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

Financial arrangements directly held by the Fund (for example debt securities and hedging arrangements) may be subject to the TOFA rules. Under the TOFA rules, gains and losses on financial arrangements are generally assessable for tax purposes on an accruals basis (where the gains/losses are sufficiently certain) or realisation basis, unless a specific TOFA elective methodology is adopted. The TOFA rules will also treat relevant gains and losses in relation to financial arrangements as being on revenue account.

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 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 foreign income tax offsets 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 Capital Gains Tax ('CGT') discount working out the net capital gain to include in their assessable income (refer further comments below).

Franking credits

If franking credits are attributed to investors by the Fund, investors must include the 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. 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 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 or to carry these forward to be dealt with in a future income year. That is, the distribution statements in 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 and downward adjustments to the cost or cost base of their unit holdings, 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 received exceeds the taxable characters 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 assessable income.

Conversely, where the cash amount received falls short of the taxable characters attributed by the Fund during a financial year, the cost or cost base of the investor's units in the Fund should be increased by the shortfall amount.

Withdrawals from the Fund and disposal of units

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.

An individual, trust or complying superannuation entity or a life insurance company that holds their units as a complying superannuation/FHSA asset may be able to claim the benefit of the CGT discount if they have held the units for 12 months. 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, as the case may be, and will not qualify for the CGT discount.

It is important to highlight that on 8 May 2018 the Australian Government announced an integrity measure to prevent Managed Investment Trusts (MITs) and AMITs from applying the CGT discount at the trust level. On 30 June 2020, the Australian Government announced that the start date that had been previously proposed for this measure (being 1 July 2020) would be revised as a result of the reprioritisation of Australian Government resources and the shortened parliamentary sitting period in 2020 due to the COVID-19 crisis. The start date for this measure to apply has been 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 measure has not yet been released and is still being developed. In this regard, 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 proposed measure before investing in the Fund.

Non-resident individual unitholders

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').

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')¹ or claim an exemption from providing a TFN.

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. 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.

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.

¹ Under AML/CTF law, disclosure of an ABN is required for those individual investors who are a sole trader.

9. Privacy

When investors apply to invest in the Fund, they acknowledge and agree that:

- a. they are required to provide the Responsible Entity with certain personal information to facilitate their application; and
- b. the Responsible Entity may be required to disclose their information to:
 - i. third parties carrying out functions on behalf of the Responsible Entity on a confidential basis;
 - ii. third parties if that disclosure is required by or to the extent permitted by law;
 - iii. related entities to the Responsible Entity, whether in Australia or any overseas jurisdiction; and,
 - iv. government or regulatory bodies (such as the Australian Taxation Office) when required by law.

If you have nominated an authorised representative or financial adviser for your investment, we may also provide information to them on their request.

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 on request. We will use your information for the purpose of marketing products issued by us and our related entities. 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. You can unsubscribe from marketing communications from us at any time by contacting us.

If you choose not to disclose requested personal information, we may not be able to process your application or tell you about other investment opportunities.

Collecting and using your information

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 Proceeds of Crime Act, the Financial Transaction Reports Act, the AML/CTF Law, FATCA and OECD Common Reporting Standard.

We also ask you for some personal details so that we, and our related companies, can keep in touch with you and tell you on an ongoing basis about our other products and services that could be useful to you. We may do this by telephone, electronic messages (e.g. email) and other means. Please contact us if you do not wish your details to be used for marketing purposes.

We may gather information about you from a third party. These include credit agencies, financial advisers, fund managers or intermediaries and spouses. 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.

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.

What happens if you don't provide information

If, for any reason, you don't provide all necessary information this may have implications for your account. For example:

- we may not be able to action transaction requests (additional application or withdrawal requests) until all required information has been provided;
- we may need to notify the Australian Tax Office or international tax offices, or apply the highest marginal tax rate to any payments made to your accounts; or
- other possible consequences.

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 Pinnacle Investment Management Limited and its related bodies corporate, whether in Australia or any overseas jurisdiction.

10. 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 2001 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 2001 (Aust) 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.

11. 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.

12. 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	Aikya Investment Management Limited
Application Form	the application form for the Fund.
ASIC	Australian Securities & 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.
CRS	OECD Common Reporting Standards.
FATCA	Foreign Account Tax Compliance Act.
FHSA	First Home Saver Account
Fund	Aikya Emerging Markets Opportunities Fund ARSN 653 056 092.
Fund Forms	the Aikya Fund Forms which incorporates 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.
Investment Manager	Aikya Investment Management Limited.
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.

Term	Definition
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.
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 unitholder 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 Pinnacle.
Pinnacle Fund Services Limited	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	<p>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 APRA from time to time, the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) 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:</p> <ol style="list-style-type: none"> 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, 2. for the Responsible Entity or Aikya to avoid a relevant penalty, detriment or disadvantage.
Responsible Entity	Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371.
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.

Term	Definition
US Persons	<p>U.S. Person, as defined in Regulation S of the U.S. Securities Act 1933, include:</p> <ul style="list-style-type: none"> • any natural person resident in the United States; • any partnership or corporation organized 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 organized 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.

Contact details

If you have a query in relation to the Fund, please contact us at:

Address: PO Box R1313, Royal Exchange NSW 1225

Email: invest@pinnacleinvestment.com

Telephone: 1300 010 311

Website: www.aikya.co.uk