

Additional Information Document Cache Multi-Class Investment Fund

Dated: 4 October 2023

Cache Multi-Class Investment Fund

ARSN 671 024 061

Responsible Entity

K2 Asset Management Ltd
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Manager and Administrator

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cachefund@cacheinvest.com.au

Distributor

An entity that is appointed by the Manager to distribute the Fund via a mobile investing application or other user interface.

Contact details of the Distributor/s can be found in the Target Market Determination at <https://cacheinvest.com.au/cachefund/tmd>

Important information

This additional information document (**AID**) is issued by K2 Asset Management Ltd (ACN 085 445 094, AFSL 244393) (**K2, the Trustee, we or us**). It forms part of, and should be read in conjunction with, the primary Product Disclosure Statement (**PDS**) for the Fund (available at <https://cacheinvest.com.au/cachefund/pds>). You should also read the Investment Options List (**IOL**) (available at <https://cacheinvest.com.au/cachefund/iol>), which also forms part of the PDS.

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

Information in this AID may change from time to time. Where a change is not materially adverse to investors, it may be updated via a notification at <https://cacheinvest.com.au/cachefund> and the App.

You can ask Cache to provide a digital copy of any updated information, free of charge, at cachefund@cacheinvest.com.au. Alternatively, you can also ask a Distributor via their App for a free digital copy of any updated information.

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1. Transacting with the Fund

This section provides additional information to the information set out section 2 of the PDS 'How Cache Multi-Class Investment Fund works'.

The Fund is a digital product

The Fund is a fully digital investment product.

All requests relating to the Fund should be submitted electronically through the App. The App is not incorporated by reference into, and does not otherwise form part of, this document or the PDS.

Opening an investment account

Your investment account will be established when you successfully complete the application process via the App with a Distributor, including agreeing to the terms and conditions. As part of that process, you will be asked to provide documents and information to verify your identity and tax status.

Making an investment

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

An investment instruction may be provided by using the App.

You may also be able to make an ongoing investment if this is offered by the Distributor of your choice.

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

Where an investment instruction is unable to be completed for any reason, you will be notified and asked for further instructions. This may cause delays in locking in an investment or in you providing a new investment instruction.

Issue price

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

Application monies

When an application for units is not completed immediately :

- (a) **Application monies account:** Cache will receive your investment monies in a trust account separate from the Fund established for that purpose. Any interest earned on application monies is treated as income to the Fund and will not be paid to individual investors; and
- (b) **Confirmations:** The relevant Distributor will send you a confirmation of the transaction only when it is completed, by

email or electronic confirmation. That confirmation will set out the amount you've invested, the number of units issued to you, the unit price of those units and the date the units were issued. Confirmations will also be provided for applications which are processed immediately.

Making a withdrawal

You can decrease the size of your investment by making a withdrawal request by using the App.

Withdrawal price

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

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

Withdrawal payments

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

For withdrawals to your linked bank/credit union account, withdrawal amounts are normally paid immediately after your withdrawal request has been accepted and settled into the linked bank/credit union account nominated by you and held in your name within 5 – 7 days.

Under the Constitution, the Trustee is required to pay withdrawal amounts within 21 days of accepting a withdrawal request.

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

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

AUD Cash Investment Option

A Distributor may require you to deposit application monies into and withdraw redemption monies from the AUD Cash Investment Option, which functions like a digital wallet (**Wallet**).

Where applicable, application monies will be applied towards acquiring units in the Wallet after cleared funds is received from you. You may then request to switch money from the Wallet to any other Investment Options. The Trustee will deem that to constitute both a request to withdraw from the AUD Cash Investment Option and an application to invest in another Investment Option.

Similarly, where applicable, the reverse applies to a redemption request. An investment must first be switched into the Wallet before initiating a withdrawal request to your nominated bank/credit union account.



Discretion to make alternative arrangements

In limited circumstances and in their absolute discretion, Cache may:

- accept investment instructions and withdrawal requests from you by email from the email address registered to your account; or
- provide you with their bank account details and you may pay via direct credit into that bank account.

Arrangements of this sort may apply where, for example, a Distributor's App becomes unavailable.

For more details, please see section 6 'Additional Information' below.

Discretion to accept or reject

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

Parts of a unit

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

The value of a fractional unit, and all rights and obligations attaching to a fractional unit, will be in proportion to a whole unit. If you hold more than one fraction of a unit, the Trustee may consolidate the fractions into a whole unit.

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

Multiple Investment Options

You may hold units in more than one Investment Option at any time.

You may provide an investment instruction in the App to switch your investment between Investment Options, in such proportions as you prefer.

This switch between Investment Options is facilitated by withdrawing your investment in a particular Investment Option at the withdrawal price (less any applicable sell spread) and reinvesting that amount in the relevant Investment Option at the next applicable unit price (plus any applicable buy spread).

Transfers to third parties

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

Unit prices

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

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

Valuation

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



2. Additional risks

This section provides additional information to the information set out in the 'Risks of managed investment schemes' section 4 of the PDS.

Risk profiles

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

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

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

Other risks

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

- (a) **Settlement risk:** the application and redemption processes associated with the issue and redemption of units in the Underlying ETF are subject to settlement procedures of the relevant clearing house. The Fund as a unitholder of the Underlying ETF is exposed to the risk an authorised participant or another market participant fails to comply with their settlement obligations. While these risks are mitigated by trading practices, the Fund may suffer a loss if the participant fails to deliver the units in the Underlying ETF within the settlement time.
- (b) **Index inaccuracy risk:** the index providers of the investment options do not generally accept liability for the accuracy or completeness of the index data. There is a risk that an index provider makes errors in the construction of an index which may not be identified and corrected for a period of time. Neither K2, Cache or the Distributors provide a warranty or guarantee that the information provided by an index provider is correct. Therefore, any losses, or costs associated with index provider errors may impact returns to investors.
- (c) **Manager risk:** the risk that Cache, as manager, cannot or does not successfully implement the investment strategy for the Fund. This risk also includes where Cache's Australian financial services licence is revoked and is not replaced, or where the relevant Distributor's authorisation is revoked.
- (d) **International risk:** some of the underlying assets of the Fund are listed overseas or give exposure to overseas investments and investments in foreign jurisdictions, including the United States of America. There are additional risks associated with such investments, including the exposure to foreign currencies, foreign laws, commercial environment, fiscal environment or political environment.
- (e) **Foreign currency risk:** the risk that an international financial transaction may incur losses due to currency fluctuations.
- (f) **Derivatives risk:** derivatives are a complex way to invest or manage risk. The Fund does not use derivatives, but the Underlying ETFs may use these to manage risks or to try to gain exposure or make money in accordance with their strategy. Derivatives are a high-risk investment, may not always be successful and may cause disproportionate losses.
- (g) **Counterparty risk:** the risk that a person that contracts with K2, Cache or the relevant Distributor fails to meet its contractual obligations, resulting in losses.
- (h) **Tax risk:** the risk that tax laws or regulations that impact the Fund (or its assets) change in Australia or overseas. Tax law is complex, will apply differently to different investors and is regularly subject to change. You are strongly advised to obtain professional tax advice relating to your investment in the Fund.
- (i) **Borrowing risk:** the Fund does not borrow money to enhance the returns of the Fund, but the Fund may borrow for cash management purposes and the Underlying ETFs may borrow money. Borrowing can magnify returns and magnifies losses.



3. How we invest your money

This section provides additional information to the information set out in the 'How we invest your money' section 5 of the PDS.

Investment management

Your investment will be managed in accordance with the PDS (including this AID and the IOL).

Investment Options

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

Rebalancing

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

Netting

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

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

Labour standards and environmental, social and ethical considerations

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

ESG Equities Investment Option

Even though the ESG Equities Investment Option is comprised of Underlying ETFs that have a sustainability or climate change investment strategy (as disclosed by the issuers of those Underlying ETFs), neither the Trustee, Cache nor the Distributors perform any screening based on labour standards, or environmental, social or ethical considerations, in relation to any of the Underlying ETFs in

which the Investment Option is invested (or any of the underlying assets of those Underlying ETFs).

The Fund merely provides you access to the Underlying ETFs in which the ESG Equities Investment Option is invested.

Insofar as the issuer of any of the Underlying ETFs may take into consideration labour standards, or environmental, social or ethical considerations, you are referred to the disclosure documents for those Underlying ETFs. Detailed information about the ESG Equities Investment Option is set out in the IOL.

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

Switching investments

To switch between Investment Options (move money from one Investment Option to another), you will need to submit a request on the App to move money from one Investment Option to another, as set out in the 'Section 2 - How the Cache Multi-Class Investment Fund works' of the PDS.

Fund performance

Up to date information on the performance of the Fund (that includes each available Investment Option) will be available on the relevant App.

Changes

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

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



4. Fees and costs

The following information provides additional information to the information set out in the 'Fees and costs' section 6 of the PDS.

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

Fees and other costs

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

Taxes are set out in another part of this document.

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

Fees and costs for particular investment options are set out in section 1 of the IOL.

Fees and costs summary

Cache Multi-Class Investment Fund – All Investment Options

Type of fee or cost	Amount ⁵	How and when paid
Ongoing annual fees and costs		
Management fees and costs^{1, 2} <i>The fees and costs for managing your investment</i>	0.00% - 1.99% p.a. of the net trust value of the Fund	Management fees and costs also include indirect costs which are costs which reduce the returns of the Fund, such as the fees charged by issuers of Underlying ETFs (if any). Such costs are generally deducted from the Fund's assets as and when they are incurred.
Performance fees <i>Amounts deducted from your investment in relation to the performance of the product</i>	Not applicable.	Not applicable.
Transaction costs³ <i>The costs incurred by the scheme when buying or selling assets</i>	0.00% - 1.03% p.a. of the net trust value of the Fund	Paid or reimbursed from the assets of the Fund as and when they are incurred and reflected in the unit price of the Investment Option.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee <i>The fee to open your investment</i>	Not applicable	Not applicable.



Contribution fee	Nil	Not applicable.
<i>The fee on each amount contributed to your investment</i>		
Buy-sell spread	±0.00% ±0.25%	- The buy spread will be applied to the investment price and paid into the Fund when you invest into the Fund. The sell spread will be applied to the withdrawal price and paid into the Fund when you withdraw from the Fund.
<i>An amount deducted from your investment representing costs incurred in transactions by the scheme</i>		
Withdrawal fee	Nil	Not applicable.
<i>The fee on each amount you take out of your investment</i>		
Exit fee	Not applicable	Not applicable.
<i>The fee to close your investment</i>		
Switching fee ⁴	Nil	Not applicable.
<i>The fee for changing investment options</i>		

¹The costs component of management fees and costs reflects costs that the Trustee reasonably estimates, as at the date of this AID, will apply for the current financial year (adjusted to reflect a 12-month period) as a percentage of the net trust value of the Fund. The amount of management fees and costs refers to the management fees and the range of indirect costs of all the Investment Options, which reflects the Trustee's reasonable estimate of typical fees charged by issuers of units in Underlying ETFs of the Investment Options for the current financial year. The estimated indirect costs depend on the Investment Option. For the indirect costs that apply to a particular Investment Option, please see the IOL. For more information, please see 'Management fees and costs' under the heading 'Additional explanation of fees and costs' below and sections 1 and 2 of the IOL.

²In addition to management fees and indirect costs, management fees and costs could include other fees and costs such as inactivity fees and recoverable expenses such as custody and audit costs but none are anticipated at this stage for the first year. For more information on management fees and costs, please see 'Management fees and costs' under the 'Additional explanation of fees and costs' below and sections 1 and 2 of the IOL.

³The transaction costs are based on the Trustee's reasonable estimate of the transaction costs for the current financial year that are not recovered by the buy/sell spread (adjusted to reflect a 12-month period). The estimated transaction costs depend on the Investment Option. For the transaction costs that apply to a particular Investment Option, please see the IOL.

⁴A switch is effected as a withdrawal from one Investment Option and an investment in another Investment Option. Under the Constitution there is no fee chargeable specifically relating to switching between Investment Options, however, under the Constitution the Trustee is entitled to charge an application fee and a redemption fee associated with the process of switching from one Investment Option to another. The Trustee has elected not to charge such application and redemption fees, however a buy/sell spread applies.

⁵'Nil' means there is an entitlement under the Constitution but the Trustee has elected not to charge it. 'Not applicable' means there is no entitlement for the Trustee to charge this fee.



Cost of product for 1 year

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

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

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

Investment Option	Cost of product
Australian Equities	\$419.80
US Equities	\$419.80
Asian Equities	\$598.00
European Equities	\$573.25
Emerging Market Equities	\$637.60
Technology	\$606.00
ESG Equities	\$444.10
Precious Metals	\$617.80
Battery Technology and Lithium	\$741.55
Crypto	\$993.75
Cyber Security	\$731.65
Conservative	\$533.65
Balanced	\$533.65
Growth	\$533.65
High Growth	\$533.65
AUD Cash	\$0.00

Additional explanation of fees and costs

Management fees and costs

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

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

Management Fee

Management fees are charged for managing the Fund and making it available to investors.

The management fee for the Fund is set at 0.80% per annum of the net trust value of the Fund. The management fee is calculated and accrued on each business day and is paid from the assets of the Additional Information Document

Fund on the last business day of each month in arrears. Management fees are estimated daily and reflected in the unit price for each Investment Option in the Fund.

No management fees will be charged for the AUD Cash Investment Option.

Indirect costs

Indirect costs are not fees charged by the Trustee.

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

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



Recoverable expenses

The recoverable expenses represent the expenses incurred in the operation of the Fund. The Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day-to-day operation of the Fund include investment manager fees, and fund administration, unit registry, custody and audit costs (other than transaction costs described below). Cache may recover the custody costs and audit costs (either in whole or in part) from assets of the Fund at their discretion and with the approval of the Trustee. Other normally incurred expenses will be paid by Cache out of its own resources. Where the Trustee is unable to recover those expenses from Cache, the Trustee may recover those expenses from the assets of the Fund.

The Trustee, as at the date of the PDS, reasonably estimates that the normally incurred recoverable expenses of the Fund that will apply for the current financial year (adjusted to reflect a 12-month period) will be nil. Where the net trust value of the Fund exceeds \$1 million, custody and audit costs in approximately \$38,000 may be incurred, and which will be paid of the Fund's assets with the Trustee's permission.

Extraordinary expenses are expenses that are not normally incurred in the day-to-day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Constitution, or defending or pursuing legal proceedings. Any such expenses will be recovered from the Fund and reflected in its unit price.

The Trustee, as at the date of the PDS, reasonably estimates that the extraordinary expenses of the Fund that will apply for the current financial year (adjusted to reflect a 12-month period) will be nil.

Transaction costs

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

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

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

The Trustee, as at the date of this AID, reasonably estimates that the Fund's total gross transaction costs for the current financial year (adjusted to reflect a 12 month period) will be approximately

between 0.00% - 2.06% p.a. of the Fund's net trust value (depending on your Investment Option) and will be substantially recovered from transacting investors through the buy/sell spread. The transaction costs (if any) shown in the 'Fees and costs summary' are net of any amount recovered by the buy/sell spread.

For an estimate of the transaction costs or the buy/sell spread for a particular Investment Option, see the IOL.

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

Goods and Services Tax

Fees and costs charged to the Fund attract 10% GST, which is charged to and borne by the Fund. All fees and costs disclosed in this AID are inclusive of GST (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth), to the extent applicable.

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

Service providers

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

Changes to fees and costs

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

- (a) a maximum application fee of 5% of the consideration payable on an application for units applied for (plus GST, if applicable);
- (b) a maximum management fee of 5% p.a. of the total gross value of all the Fund's assets (plus GST, if applicable);
- (c) a maximum inactivity fee of \$10.00 per investment account in the Fund;
- (d) a maximum redemption fee of 5% of the withdrawal price payable on redemption of units redeemed (plus GST, if applicable); and
- (e) a maximum account fee of \$35.00 per month payable in arrears on the last business day of each month (plus GST, if applicable), where the month commences on the day you invest in the month.

Fees and costs may also vary over time due to changes to the Fund, changing economic conditions or changes in regulation. Investors will be given notice of any changes to fees in accordance with the Corporations Act (for example, where there is a material increase in fees



or charges and the Fund is not a disclosing entity, investors will be notified at least 30 days before the increase takes effect).

5. How managed investment schemes are taxed

The following information provides additional information to the information set out in the 'How managed investment schemes are taxed' section 7 of the PDS.

General

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

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

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

AUSTRALIAN TAXATION TREATMENT OF THE FUND

General

The income tax treatment of the Fund and its investors will depend on whether the Fund is eligible, and elects, to apply the Attribution Managed Investment Trust (AMIT) provisions. The AMIT provisions are an elective income tax regime for qualifying Managed Investment Trusts (MIT) that provide for flow-through taxation to investors, irrespective of whether income or capital is distributed to investors. The AMIT election is irrevocable, and the AMIT provisions will apply in each future income year in which the Fund satisfies the requirements to be an AMIT. K2 intends to make the election for the Fund to enter into the AMIT provisions, if it so qualifies.

Where the Fund does not satisfy the eligibility criteria to be a MIT, the Fund cannot make the AMIT election and ordinary trust taxation rules will apply (subject to the public trading trust provisions).

MIT capital account election

If the Fund qualifies as a MIT for income tax purposes, K2 will be eligible to make an irrevocable election to apply the Capital Gains Tax (CGT) provisions as the primary code for assessing gains and losses on the disposal of certain assets by the Fund, including for example shares and units. In that instance the Fund should be deemed to hold these assets on capital account and eligible investors may be entitled to receive the benefit of the CGT discount on distributions of

capital gains (the requirements for accessing the CGT discount concession are discussed below). K2 intends to make the capital account election for the Fund and will continue to monitor the Fund's eligibility on a year-by-year basis.

AMIT provisions

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

Fair and reasonable attribution

Each year, the Fund's determined assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated on a "fair and reasonable" attribution basis, rather than being allocated proportionally based on your present entitlement to the income of the Fund. Where the determined trust components are attributed on a fair and reasonable basis and in accordance with the Constitution, the Fund itself will not be subject to income tax and the tax, if any, will be payable by the investors.

Unders and/or overs adjustments

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

CGT cost base adjustments

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

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

Large redemptions

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

Multi-class AMITs

A choice is available to elect to treat separate classes of units as separate AMITs. K2 intends to make the AMIT multi-class election (if applicable) to segregate the returns of each investment option. Where the classes are treated as separate AMITs, the gains or losses derived in respect of one of the investment options will not affect the returns of the alternative investment options for income tax purposes.



Penalties

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

If the AMIT provisions do not apply to the Fund

On the basis the Fund is unlikely to qualify as a public trading trust (discussed below), the Fund should be treated as a flow-through trust for income tax purposes. This means that you will be taxed on your share of the Fund's net taxable income.

Multi-class non-AMITs

A multi-class non-AMIT is treated as a single taxpayer. As the classes are not treated separately for income tax purposes, there is a risk that the income, expenses and tax losses are not quarantined to each class, such that all tax deductions and tax losses are spread against the gross income of the Fund. As such, gains or losses of one investment option may affect the gains or losses of other investment option(s) for income tax purposes.

Other taxation considerations

Public trading trust rules

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

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

The Fund does not intend to derive income other than from an "eligible investment business". Further, K2 will seek to ensure it does not control entities that carry on a trading business, including having any negative control rights which could affect the trading activities of the entities it invests in. As such, it is unlikely that the Fund would qualify as a public trading trust for income tax purposes.

Taxation of Financial Arrangements (TOFA)

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

Losses

In the case where the Fund makes a tax loss or capital loss for Australian income tax purposes, the Fund cannot distribute these losses to its investors. However, provided that the requirements of the trust loss rules are satisfied, these losses may be carried forward and offset against future taxable income or capital gains respectively.

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

AUSTRALIAN TAXATION TREATMENT OF THE INVESTORS

Distributions – AMIT

The AMIT provisions require the taxable income of the Fund to be "attributed" to investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. K2 will seek to attribute taxable income of the Fund having regard to the units held by investors, entitlements to income and capital or new units issued to such investors during the relevant period.

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

Distributions – Non-AMIT

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

Franking credits and franked dividends

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

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

Foreign income

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

Capital gains



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

Furthermore, after applying any available capital loss, individuals, trusts, and complying superannuation fund investors may be entitled to discount that capital gain by 50% for individuals and trusts and 33⅓% for complying superannuation funds in determining the net capital gain to be included in their taxable income.

Disposal of units

If an investor switches investment options (if applicable) or redeems their units in the Fund, this will constitute a disposal for CGT purposes.

Where an investor holds their units in the Fund on capital account, a capital gain or capital loss may arise on the disposal of units and each investor should calculate their capital gain or capital loss according to their own particular facts and circumstances. Proceeds on disposal may include a component of attributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33⅓% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for 12 months or more. No CGT discount is available for corporate investors.

Investors are generally not entitled to sell or transfer units to other persons without K2's approval. However, if an investor does obtain approval and sells or transfers units to another person, the investor may be liable for CGT on any gains realised on that disposal of units.

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

Non-assessable distribution payments - AMIT

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

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

Non-assessable distribution payments – Non-AMIT

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

OTHER CONSIDERATIONS

Goods and Services Tax (GST)

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

Duty

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

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

You will be asked to provide your TFN or ABN when opening an investment account in the Fund. You are not required to provide it. However, if you do not provide your TFN or ABN, K2 may be required to deduct tax from your investment at the top marginal rate, plus levies, on gross payments including distributions of income. You may be able to claim a credit in your tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

Tax reform

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

Annual Investment Income Report (AIIR)

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

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

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



exchange this information with the participating foreign tax authorities of those non-residents.

6. Additional information

If your details change

You must notify the Distributor (with whom you hold your investment account with) of any change to your details, either by email or through the App. This includes any changes to your personal details, contact details and foreign tax residency status.

Distributor will keep in touch

The Distributor (with whom you hold your investment account with) will keep you up to date on your investment in a number of ways, including:

- by providing you a transaction statement confirming your transactions;
- by showing your investment balance and transaction history on the App;
- by providing you a periodic statement each year; and
- by providing you with an AMMA (i.e. a tax statement) each year.

If Distributor fails or ceases to operate

If the Distributor (with whom you hold your investment account with):

- becomes unwilling or unable to provide you access to your investment account via the App, or
- ceases to operate,

then Cache will take reasonable steps to ensure you have the ability to continue providing instructions in relation to your investment. This includes but not limited to accepting application instructions and redemption requests via email and/or making alternative arrangements as Cache reasonably sees fit.

The Trustee may close your investment account if this happens. There will be a mandatory redemption on your investments in the Fund. Units will be redeemed at the next applicable unit price and refunded to you (less any applicable sell spread and any amounts you owe in relation to your investment).

Protecting your privacy

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

Cache requires its Distributors to be committed to respecting the privacy of your personal information and its privacy policy sets out how it manages personal information. By applying to invest in the Fund, you consent to your personal information being collected and used as set out in this policy – if a Distributor doesn't collect this information, it may not be able to provide its services to you.

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

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

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

Foreign tax residency

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

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

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

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

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

The Trustee needs to know you

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

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

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

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

Cache and the Trustee will not be liable for any losses, including for market movements, that may be incurred by a prospective investor if an application is delayed or rejected due to their obligations (including



those arising under anti-money laundering laws) or other delays caused by an application being incomplete.

Constitution

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

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

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

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

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

In these circumstances, the Trustee and Cache will not be liable to you for any resulting loss.

Compliance plan

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

Your rights

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

Custody

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

Investor meetings

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

Your liability

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

You may be liable for further amounts relating to fees, taxes or costs incurred in relation to your units or where you otherwise owe the Trustee money. These amounts may be recovered from your linked bank/credit union account (if applicable) or your investment balance. The Trustee may also close your investment account and deduct the value of the outstanding account fees from your investment. Details of your liability as an investor are further set out in the Constitution.

Termination

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

Financial information

Financial information about the Fund will be made available on Cache's website as required by law at <https://cacheinvest.com.au/cachefund>.

Other information

Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations under the Corporations Act. The Trustee will meet its continuous disclosure obligations by disclosing new material information at <https://cacheinvest.com.au/cachefund>.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. You have a right to obtain a copy of the following documents from the Trustee free of charge:

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

Additional classes

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

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

Assets and liabilities of the Fund can be attributed to different unit classes in accordance with the Constitution.



Changes to the Fund

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

Employee investing

Employees of the Trustee, Cache and the Distributors or any of their related bodies corporate may invest in the Fund subject to the personal account trading policies and procedures of the Trustee, Cache and the Distributors.

Consents

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