



MoneySpot Investment Fund  
ARSN 616 929 849



# PRODUCT DISCLOSURE STATEMENT

Issuer:  
MSI Funds Management Limited  
ACN 614 077 995  
AFSL 491 268

## IMPORTANT INFORMATION

### Responsible entity and issuer

This is a Product Disclosure Statement (PDS) for the MoneySpot Investment Fund ARSN 616 929 849 (Fund) and is dated 27<sup>th</sup> February 2020. This PDS contains the offer (Offer) for the issue of units (Units) in the Fund.

MSI Funds Management Limited ACN 614 077 995 (RE, us, we and our) is the issuer of this PDS. We hold AFS Licence 491 268, issued by ASIC, which authorises us to act as responsible entity of the Fund.

### Capital and investment risk

An investment in the Fund is an investment in a registered managed investment scheme. An investment in the Fund is not a bank deposit, bank security, bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

Neither the RE, its related bodies corporate or any of their respective directors or officers, guarantee the repayment of capital from the Fund or the investment performance of the Fund. Investments in the Fund are not guaranteed or underwritten by the RE, its related bodies corporate or any of their respective directors or officers.

**In particular, some of the risks involved with an investment in the Fund are considered in section 4.2.**

### Reliance on PDS only

No person is authorised by us to give any information or to make any representation in connection with the offer of Units to you that is not contained in this PDS or in Updated Information provided by us.

Any information or representation not contained in this PDS or the Updated Information cannot be relied upon as having been authorised by us.

The issue of this PDS is authorised solely by us and none of our subsidiaries or related bodies corporate, except as expressly set out in section 7.12, are responsible for any statement or information contained in this PDS.

### PDS available electronically

If you are printing an electronic copy of this PDS, you must first print all pages. If you make this PDS available to another person, you must give them the entire electronic file or print-out. A paper copy of this PDS can also be obtained free of charge on request by calling us on 1300 048 156.

Units cannot be issued unless you use the Application Form on the website. The Application Form contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read this PDS in its entirety before completing the Application Form.

### Offer restrictions

The Offer under this PDS is available to persons receiving the PDS within Australia only. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

### No personal financial product advice

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision.

### Forward looking statements

The target return rates and any estimates and projections contained in this PDS involve significant elements of subjective judgement and analysis, which may or may not be correct. There may be differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. You and your respective advisers should make their own independent review of the material assumptions, calculations and accounting policies upon which the accompanying estimates and projections are based.

The PDS contains references to target net return rates throughout.

Please note, these net return or distribution rates are targets and not a forecast and the RE may not be successful in achieving these distribution rates or any return on the Fund's investments. Neither distributions or returns, or your principal investment amount, are guaranteed.

A more detailed analysis of the targeted distribution rate, and the key assumptions used in its calculation, is provided at Section 3.4.

### Constituent documents

This PDS is intended to be read in conjunction with the Constitution. This PDS contains a non-exhaustive high-level summary of certain proposed features of the Fund. The Fund is governed by the Constitution which regulates, amongst other things, the rights and obligations of the RE and the Investors. The Constitution will prevail to the extent of any inconsistency between it and this PDS. A copy of the Constitution is available free of charge by contacting the RE.

### Glossary, illustrations and currency

Defined terms and abbreviations used in this PDS are explained in the Glossary. Any assets depicted in photographs in this PDS are

for indicative purposes only and are not assets of the Fund unless otherwise noted.

All references in this PDS to '\$' are references to Australian dollars unless stated otherwise.

#### **Enquiries**

If you have any questions or require assistance with completing the Application Form or additional copies of the PDS, please contact us on 1300 048 156.

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## 1. KEY INVESTMENT FEATURES

The following table provides a high-level summary of the key features of an investment in the Fund and provides section references for further information. You should read this PDS and the Constitution in full to properly understand your investment in the Fund.

Description	Summary	Refer to section
<b>Key entities involved in the Fund</b>		
Responsible Entity (RE)	MSI Funds Management Limited ACN 614 077 995, holder of AFS licence number 491268	2.1
Custodian	One Managed Investment Funds Limited ABN 47 117 400 987	2.6
Auditor of the Fund	Mazars Audit (Qld) Pty Limited	2.5
<b>Key features</b>		
Registration date	3 February 2017	
Fund size and performance	<p>For the latest information on the Fund size and performance since inception, please go to <a href="https://invest.moneyspot.com.au/fundperformance/">https://invest.moneyspot.com.au/fundperformance/</a>. You should read this information before investing in the Fund. Alternatively, you can obtain this information free of charge by contacting our investor service team:</p> <ol style="list-style-type: none"> <li>1. by phone on 1300 048 156</li> <li>2. by email at <a href="mailto:info@moneyspot.com.au">info@moneyspot.com.au</a></li> </ol> <p>or you can contact your investment adviser.</p>	
Risk/return profile	<p>High — the potential for higher returns than lower risk investments, however, there is also the higher potential for below-average returns and/or loss of capital.</p> <p>Investors should not invest in the Fund unless they understand and are comfortable with the risks associated with investing in the Fund.</p>	4.2
Entry and exit prices	The Application Price for a Unit in each Unit Class is \$1.00. The Withdrawal Price for each Unit is calculated by dividing the net assets attributable to your Unit Class by the number of Units in the Unit Class.	5.3
Minimum investment timeframe	<p>6 months. Please note, the Fund is illiquid and there is no right for you to withdraw your investment. Withdrawals can only be made in response to a withdrawal offer made by the RE. There are many factors which can affect our ability to make withdrawal offers and delay your opportunity to withdraw from the Fund. Any withdrawal offers must be made in accordance with the Constitution and the Corporations Act. The RE will make information available about any withdrawal offer to eligible Investors by email.</p> <p>The RE aims to make routine withdrawal offers to Investors in each Unit Class every 6 months from the date of issue of that Unit Class.</p>	3.3 and 5.5
Target Return	<p>The RE is seeking to make regular income distributions at a target net return rate of 12.8% per annum (pre-tax, net of fund management fees and ordinary expenses). Please note, this is a target and not a forecast and the RE may, in its discretion and time from time, offer varying target net return rates for Unit Classes. Prevailing target net return rates are published at <a href="https://invest.moneyspot.com.au/fundperformance/">https://invest.moneyspot.com.au/fundperformance/</a>.</p> <p>The target net return rate of 12.8% per annum is the net return after the fund management fees (1.075% of the net asset value of the Fund) and ordinary expense recoveries (1.025% of the net asset value of the Fund). The Fund earns approximately 15% per annum before its management costs of 2.1% per annum to reach a net target return rate of 12.8% per annum to the Investor. There are no additional fees levied by the Fund on the Investor.</p> <p>Please note, these net distribution rates are targets and not a forecast and the RE may not be successful in achieving these distribution rates or any return on the Fund's investments. Neither distributions or return, or your principal investment amount, are guaranteed.</p>	4.1 and 5.6
Risks	An investment in the Fund is subject to risks including but not limited to the following:	4.2

	<ol style="list-style-type: none"> <li>1. liquidity risk;</li> <li>2. investment risk;</li> <li>3. return risk;</li> <li>4. related party and conflicts of interest risk;</li> <li>5. concentration risk.</li> </ol>	
Distributions	Distributions, if any, will be paid monthly, within fourteen (14) Business Days after the last day of each month.	5.6
<b>Description</b>	<b>Summary</b>	<b>Refer to section</b>
<b>How much do you need to invest and transact?</b>		
Minimum initial and subsequent investments	\$1,000	5.2
Minimum balance	\$1,000	5.5
Minimum withdrawal	\$1,000	5.5
<b>How to invest</b>		
<p>To invest, complete the Application Form available on our website at <a href="https://invest.moneyspot.com.au">https://invest.moneyspot.com.au</a> or by contacting us on 1300 048 156</p> <p>Once your application is complete, send your Application Money to:  <b>MSI Funds Client Segregated Funds Account</b>  <b>Commonwealth bank</b>  <b>BSB: 062-258</b>  <b>Account: 11078730</b></p>		
<b>What fees apply?</b>		
Management fees	1.075% of the net asset value of the Fund.	6.2, 6.3 and 6.4
Ordinary expense recoveries	Estimated to be 1.025% of the net asset value of the Fund.	6.3
<b>Additional information</b>		
Who may invest?	The Offer is open to all types of investors, including self-managed superannuation funds, individuals, companies and trusts.	5.1
Updated information	Updated Information about the Fund and its investments is available via regular Investor updates posted on our website: <a href="https://invest.moneyspot.com.au">https://invest.moneyspot.com.au</a> .	7.9
Cooling-off	There are no cooling-off rights associated with an investment in the Fund.	5.2 (c)
Reporting to Investors	<p>You will receive:</p> <ul style="list-style-type: none"> <li>(a) confirmation of your investment and redemptions;</li> <li>(b) regular distribution statements; and</li> <li>(c) an annual taxation summary.</li> </ul> <p>Additionally, Investors will be provided access to the investor portal at <a href="https://invest.moneyspot.com.au">https://invest.moneyspot.com.au</a> where annual and periodic statements can be viewed and downloaded.</p> <p>You can elect to be sent, either by post or electronically, annual financial statements for the Fund by marking the appropriate box on the Application Form.</p>	5.7
Tax	Investing in the Fund may have taxation consequences for you. We recommend you seek professional tax advice before investing in the Fund.	5.8 and 5.9
Complaints resolution	Any complaints can be made: (a) by post:	7.1

	Complaints Officer MSI Funds Management Limited Level 1, 7-11 Little Buckingham Street Surry Hills NSW 2010 (b) by phone: 1300 048 156; (c) by email: <a href="mailto:complaints@moneyspot.com.au">complaints@moneyspot.com.au</a>	
How to contact us?	Call 1300 048 156 or email us at <a href="mailto:info@moneyspot.com.au">info@moneyspot.com.au</a>	10

## 2. THE FUND STRUCTURE AND KEY ENTITIES INVOLVED IN THE FUND

### 2.1 Fund structure

The Fund is a unit trust established by the Constitution. It is a managed investment scheme which has been registered with ASIC.

Under a managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments. Investors hold Units in the Fund which represent a proportional entitlement in the assets of the Fund based on the amount invested and the Application Price of the Units at the time of entry to the Fund. No Unit confers an interest in a particular part of the Fund or in any particular asset. The price for Units reflects the value of the assets in the Fund and may increase or decrease over time with the value of the underlying assets. Withdrawals can only be made in response to a withdrawal offer made by the RE (please refer to sections 3.3 and 5.5). Once a withdrawal offer is made by the RE and accepted by you, the Units you hold in the Fund are redeemed by the RE.

### 2.2 Unit Classes

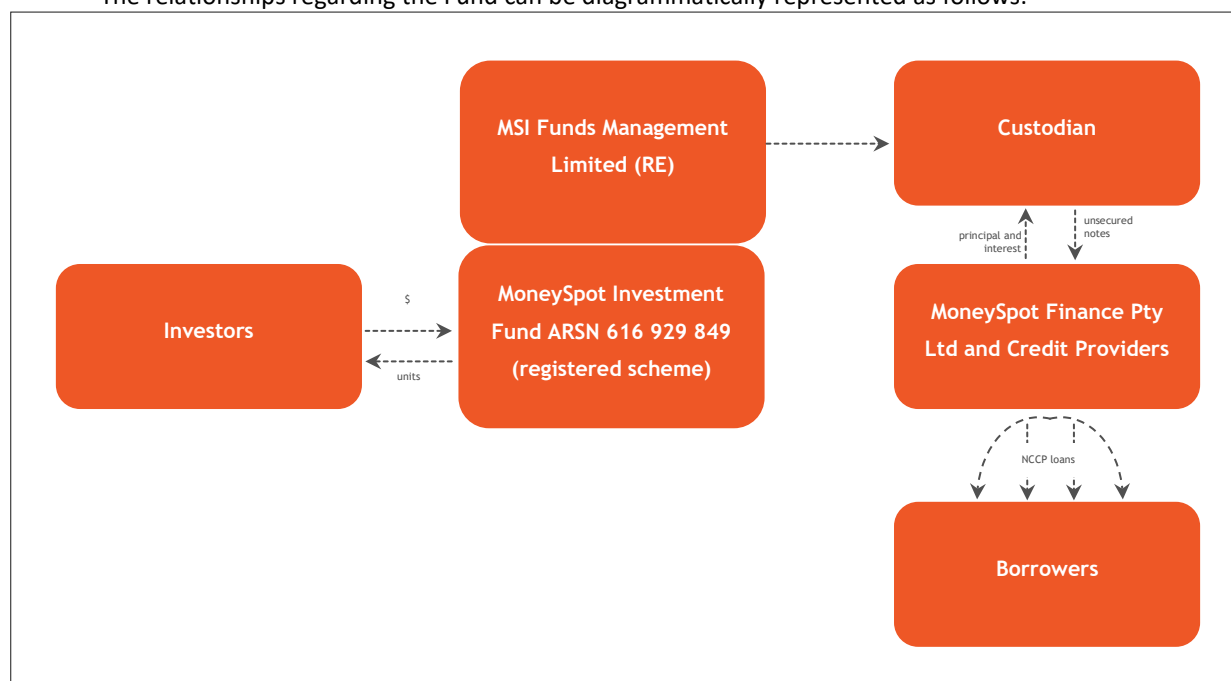
Interests in the Fund are divided into Units and the Units are further divided into Unit Classes. Following the RE accepting an application for Units, the Custodian will make an investment in unsecured notes issued by the RE's related party, MoneySpot Finance, or other Credit Providers (refer to section 3 and 5.3 for more information about these investments), using the application monies received. Each of those investments will represent the assets of the Unit Class that the Units issued to the applicants relates to. Each Unit Class will receive the income attributable to its assets, being the unsecured notes issued by MoneySpot Finance or other Credit Providers on the day of the issue of Units in the Units Class, and must bear the liabilities associated with its investments. The RE may, in its discretion and time from time, offer varying target net return rates for Unit Classes. Prevailing target net return rates are published at <https://invest.moneyspot.com.au/fundperformance/>. Please note, these net distribution rates are targets and not a forecast and the RE may not be successful in achieving these distribution rates or any return on the Fund's investments. Neither distributions or returns, or your principal investment amount, are guaranteed.

For information about Unit pricing, please refer to section 5.3.



## 2.3 Investment relationships

The relationships regarding the Fund can be diagrammatically represented as follows:



## 2.4 Key entities—the responsible entity

### a) About

MSI Funds Management Limited is an unlisted public company which holds AFS licence number 491268.

We are wholly owned by MoneySpot Finance Pty Ltd, a credit provider which holds an Australian credit licence. MoneySpot Finance is the issuer of unsecured notes and other loan products which the Fund invests in. Further information about MoneySpot Finance is set out in section 2.5 below. The Fund may also invest in unsecured notes issued by other Credit Providers from time to time.

### b) Role

The RE's AFS licence authorises it to operate the Fund as a registered management investment scheme. As responsible entity, it is responsible for the day-to-day operation of the Fund in accordance with its AFS licence, the Constitution, Compliance Plan, Corporations Act and general trust law. It is responsible, for example, for Unit pricing and investor reporting, but it may delegate its duties to agents and other service providers such as the Custodian and Administrator.

As responsible entity for the Fund and as an AFS licensee, the RE must act in accordance with the Corporations Act including to:

- i) act honestly;
- ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in the RE's position;
- iii) act in the best interests of Investors and if there is a conflict between Investors' interests and our interests, give priority to Investors' interests;
- iv) treat Investors who hold interests of the same Unit Class equally and Investors who hold interests of different Unit Classes fairly;
- v) not make use of information acquired through being the responsible entity in order to:
  - (a) gain an improper advantage for itself or another person;
  - (b) cause detriment to the Investors; and

- vi) comply with the Compliance Plan.
- c) **Compliance Committee**  
In accordance with legal requirements, the RE has appointed an independent Compliance Committee for the Fund to assist it meet its compliance responsibilities. In particular, the Compliance Committee's role is to monitor the RE's compliance with the Compliance Plan and Constitution in operating the Fund. The Compliance Committee reports directly to the Board and, in certain circumstances, to ASIC.  
The Compliance Committee is required to have a minimum of three members, the majority of whom must be external to the RE.

## 2.5 Key entities—MoneySpot Finance and other Credit Providers

MoneySpot Finance is the sole shareholder of the RE, MSI Funds Management Limited and is its related party. Two directors of MSI Funds Management are also directors of MoneySpot Finance and interests associated with them collectively own all of the capital of MoneySpot Finance.

MoneySpot Finance was established in 2014 and holds Australian credit licence no. 450305. MoneySpot Finance operates consumer and business finance brands both locally and abroad. The Fund will target credit markets in Australia, United Kingdom, United States and New Zealand. Currently it offers loan products including small amount credit contracts (SACCs) and medium amount credit contracts (MACCs), personal loans and small business loans.

Initially, the Fund will invest in MoneySpot Finance unsecured notes, however it may invest in other Credit Providers (including those wholly or majority owned by MoneySpot Finance), Credit Providers that offer similar products to MoneySpot Finance in Australia or abroad, and that the RE is of the view can achieve the Fund's targeted return. MoneySpot Finance also may fund similar consumer and business finance businesses both locally and abroad. Any investment made by the Fund will be made in Australian dollars with the foreign currency risk borne by the borrower (MoneySpot Finance or the Credit Provider). All related party transactions are done on arm's length terms and so Investor approval for the transactions has not (and will not be) sought.

Before the Fund considers an investment in an unsecured note offered by a Credit Provider, it carefully considers several factors including the jurisdictions the Credit Provider participates in. Initially the Fund has decided to limit its investments to Credit Providers offering products in Australia, United Kingdom, United States and New Zealand. Each country has historically offered a stable regulatory environment that the RE considers to be favourable to the Fund achieving its targeted rate of return.

A brief description of each product offered by the Credit Providers to Borrowers is below:

### Australia

A SACC is a loan which varies in length from 16 days to 1 year, up to \$2,000 and carries a 20% establishment fee and monthly fees of 4%.

A MACC is a loan which varies in length from 16 days to 2 years, from \$2001 to \$5000 and carries a \$400 establishment fee and monthly fees of 4%.

A personal loan in Australia is a reducing interest loan limited to a nominal interest rate of 48% per annum.

Business loans are loans intended for business purpose and financing charges vary depending on the type of business, the amount, term and security (if any) offered by the Borrower.

In Australia consumer loans, such as SACCs, MACCs and personal loans are regulated by the *National Consumer Credit Protection Act 2009* but business loans are not.

#### United Kingdom and New Zealand

Consumer finance products in the United Kingdom and New Zealand typically contain a daily financing rate. At the date of this PDS, the maximum interest rate is equal to 0.8% per day in the United Kingdom and in New Zealand, the rate can vary between 0.8% and 2% per day, although this may be capped at 0.8% if proposed legislation is passed.

As can be seen above, a consumer loan over a 30-day duration will earn approximately the same return across all jurisdictions ie: 24% per month. However, if repayments have been made during that period, interest is only payable on the amount outstanding.

#### United States

MoneySpot Finance intends to target the instalment loan product in the United States with a duration of less than 3 months. Regulations for these products are set at a State level and MoneySpot has identified a number of key States that support this product and where the Fund can achieve its targeted returns.

Generally, all the loan types offered by MoneySpot Finance and other Credit Providers are unsecured, which means that Borrowers do not have to pledge any asset that they own to take out the loan. MoneySpot Finance, and other Credit Providers, will also consider expanding the product offering to other forms of credit if those products fit the risk profile and achieve a similar rate of return. This could include secured equipment and motor vehicle finance and buy now, pay later products.

The loan duration of each type of loan offered by MoneySpot Finance and other Credit Providers to Borrowers is generally shorter than 6 months, and on average approximately 90 days in duration. Repayments are withdrawn from a borrowers' bank account via direct debit on the day that they receive their salary from their employer. Historically, MoneySpot Finance has incurred a default rate of approximately 5% of the principal amount lent. Please note, past performance is not generally indicative of future performance.

The application process for each Borrower is online and available 24 hours a day, 7 days a week. MoneySpot Finance typically makes the decision to lend and remit the funds in less than 60 minutes from the time the application is assessed.

The unsecured notes issued by MoneySpot Finance which the Fund will purchase will typically have a coupon rate of approximately 15% per annum with a maturity date of 6 months, although this may fluctuate up or down over time depending on market conditions. A summary of the terms of the deed poll on which the unsecured notes by MoneySpot Finance will be issued is contained in section 7.6(d).

The Fund's investment in other Credit Providers will be on similar terms to the Fund's investment in unsecured notes issued by MoneySpot Finance as described above although differences may apply due to the nature of the notes issued and the jurisdiction of the Credit Provider.

## 2.6 Key entities—the custodian

The RE has appointed One Managed Investments Funds Limited (OMIFL) under a Custody Agreement. The Custodian's role will be to hold the Fund's assets in its name and act on the direction of the RE to effect cash and investment transactions.

OMIFL has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to an Investor for any act done or omission made in accordance with the Custody Agreement.

OMIFL has consented to being named as custodian of the Fund. The Custodian has not made any statement or purported to make any statement that is included in this PDS or statement on which a statement made in this PDS is based, except as set out in this paragraph. The Custodian expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this PDS or any statements in or omissions in this PDS other than the reference to its name. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given. The Custodian does not guarantee the return of any capital sums invested or any rate of return of the Fund or the performance of any obligations.

## **2.7 Key entities— the auditor**

The RE has engaged Mazars Audit (Qld) Pty Limited, auditor registration number 338599, as the independent auditor of the financial statements of the Fund and of the Compliance Plan.

## **2.8 Key entities—the administrator and registry provider**

The RE has engaged Unity Fund Services Pty Ltd ABN 16 146 747 122 to provide fund accounting services to the Fund. Unity is responsible for, among other things, processing trade-related transactions, reconciling bank accounts of the Fund, calculating income and expense accruals, calculating management and performance fees, and preparing annual accounts. Unity will not be responsible for loan servicing or provisioning and valuation of the unsecured notes or other loan products issued by the Credit Providers.

The RE has engaged One Registry Services Pty Limited ABN 69 141 757 360 to maintain the register of members of the Fund, which includes processing Application Money received from Investors and maintaining and updating Investor details and processing distribution payments.

## **2.9 Selection and monitoring of service providers**

The RE monitors the performance of external service providers against agreed service levels and industry standards and, if applicable, considers details of any unsatisfactory performance by external service providers as they arise.

All ongoing key external service providers are subject to an annual review, at which time the ability of the service provider to continue to provide services to the RE or the Fund will be assessed and their past performance in meeting the obligations in the service agreement considered.

## 3. THE FUND'S INVESTMENTS

### 3.1 Investment objective

The objective of the Fund is to provide regular distributions to Investors at a target return rate of 12.8% per annum (pre-tax, net of fund management fees and ordinary expenses). Please note, this is a target and not a forecast. No returns are guaranteed. The RE may, in its discretion and time from time, offer varying target net return rates for Unit Classes. Prevailing target net return rates are published at <https://invest.moneyspot.com.au/fundperformance/>.

A more detailed analysis of the targeted return rate is provided at Section 3.4.

### 3.2 Investment strategy

The Fund will lend money to, or invest in unsecured notes issued by, Credit Providers that participate in the small and medium personal and business loan segment of the credit market. The Fund will typically purchase unsecured notes issued by the Credit Provider and seek security over the unsecured notes or loan contracts by general security deed over the entire assets of the Credit Provider.

The Fund will initially invest in unsecured notes issued by MoneySpot Finance, a related party of the RE's, for the primary purpose of funding the loan book of MoneySpot Finance.

Although the unsecured notes issued by MoneySpot Finance will be secured by a general security deed over their present and after acquired property other than land, the notes acquired by the Fund will be 'unsecured notes' pursuant to section 283BH of the Corporations Act.

The unsecured notes that MoneySpot Finance will issue will be for a face value of \$1.00 per note at a coupon rate of approximately 15% per annum, although this may fluctuate up and down over time in accordance with changes in credit markets. Interest on the unsecured notes will be payable to the Fund monthly. The unsecured notes will have a maturity date of 6 months from the issue date, and they can be rolled over for another term of 6 months if some or all of the Investors in the Unit Class that relates to that unsecured note do not accept a withdrawal offer made by the RE prior to the maturity date of the unsecured note. The RE is of the view that the terms of the unsecured notes issued by MoneySpot Finance that it will purchase for the Fund are based on arm's length terms.

More information about MoneySpot Finance is contained in section 2.5 and more information on the terms on which the unsecured notes are issued is contained in section 7.6(d).

After the initial investments in MoneySpot Finance unsecured notes and where additional funds are raised, the Fund will approach other Credit Providers being licensed local and overseas companies that compete in the same segment of the credit market as MoneySpot Finance and consider funding their loan books at a comparative return. The Fund's investment in other Credit Providers will be on similar terms to the Fund's investment in unsecured notes issued by MoneySpot Finance as described above although differences may apply due to the nature of the notes issued and the jurisdiction of the Credit Provider. Investments with other Credit providers will also be made on arm's length terms.

### 3.3 Investment timeframe

Financial advisers will have differing views about the minimum investment period you should hold various investments. Your own personal circumstances will also affect your decision.

As the Fund is illiquid and you have no right to withdraw your investment, you can only withdraw your investment in the Fund in response to a withdrawal offer made by us. We do not intend to make any withdrawal offers to Investors in a Unit Class for a period of 6 months from the date of issue of that Unit Class and, as you will not be able to participate in a withdrawal offer in a Unit Class until 6 months following your investment in that Unit Class, this is the minimum period you should consider holding an investment in the Fund. The minimum suggested investment timeframe should not be considered personal advice. The RE anticipates making routine withdrawal offers every 6 months to Investors in each Unit Class every 6 months from the date of issue of that Unit Class.

Our ability to make withdrawal offers is materially affected by a number of factors including having sufficient cash available from the Fund's investments to make such offers. We therefore cannot guarantee that we will make withdrawal offers every 6 months or at any time. Any withdrawal offers we make must be made in accordance with the Constitution and the Corporations Act. We will make information available about any withdrawal offer to eligible Investors by email.

### **3.4 Targeted return assumptions**

The Fund's targeted return rate, which is referred to in Sections [1 and 3.1, 4.1 and 4.2(c)], is a target net return rate of 12.8% per annum (pre-tax, net of fund management fees and ordinary expenses) providing a targeted gross return rate of 15% per annum based on fund management fees and ordinary expenses of 2.1% per annum. This target is based on a series of assumptions as follows:

- unsecured notes invested in by the Fund are for a face value of \$1.00 per note at a coupon rate of approximately 15% per annum although this may fluctuate up and down over time in accordance with changes in credit markets including where MoneySpot Finance or other Credit Providers are able to access credit more cheaply and as a result, the Fund would need to consider reducing its lending rate;
- interest on the unsecured notes are payable to the Fund monthly;
- unsecured notes will have a maturity date of 6 months although this may be extended if some or all of the Investors in the Unit Class that relates to that unsecured note do not accept a withdrawal offer made by the RE prior to the maturity date of the unsecured note;
- MoneySpot Finance's historic loan default rate of approximately 5% of the principal amounts lent applies; and
- the terms of the unsecured notes are the same or similar to the terms of the note deed poll described in section 7.6(d).

There is no guarantee that these targets or objectives will be met and the RE may not be successful in achieving the targeted distribution rates or any return on the Fund's investments. No distributions or returns are guaranteed. Please note, past performance is not necessarily indicative of future performance. The RE may, in its discretion and from time to time, offer varying target net return rates for Unit Classes. Prevailing target net return rates are published at <https://invest.moneyspot.com.au/fundperformance/>

## 4. BENEFITS AND RISKS OF INVESTING IN THE FUND

### 4.1 Benefits of investing in the Fund

Some of the benefits of investing in the Fund are summarised as follows:

- a) Regular returns—we will endeavour to pay distributions on a monthly basis, subject to the availability of income. We are seeking to achieve a targeted net return to Investors of 12.8 percent per annum (pre-tax, net of fund management fees and ordinary expenses). Please note, these are targets and not forecasts. No returns are guaranteed. A more detailed analysis of the targeted return rate is provided at Section 3.4. The RE may, in its discretion and time from time, offer varying target net return rates for Unit Classes. Prevailing target net return rates are published at <https://invest.moneyspot.com.au/fundperformance/>.
- b) Regular withdrawal offers—we will seek to make a withdrawal offer to the Investors in each Unit Class 6 months from the date of issue of that Unit Class. Our ability to make these offers is subject to the availability of sufficient assets to make the offers and to other risk factors set out below and in section 5.5. We will make information available about any withdrawal offer to eligible Investors by email.

### 4.2 Risks of investing in the Fund

- a) Investment risk generally

Before deciding whether to invest in the Fund, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected resulting in a loss of capital or income to Investors. In particular, you should understand that:

- i) different investment strategies carry different levels of risk depending on the assets that make up the strategy;
- ii) assets with the highest long-term returns may also carry the highest level of short-term risk;
- iii) the value of your investment may go up and down;
- iv) returns are not guaranteed;
- v) you may lose money; and
- vi) previous returns are not necessarily indicative of future performance.

You should give consideration to the risk factors in this section, as well as the other information contained in this PDS before making a decision to invest in the Fund.

- b) Risk versus return

All investments are designed to make a return and are subject to risk. This means that, as well as making money, there is also a chance that you could lose it. You might also think of risk as the possibility that your investments do not achieve your financial objectives. As a general rule, the bigger the potential investment return, the higher the investment risk and the longer the suggested investment timeframe.

c) Specific Fund risks

i) Return risk

This is the risk that the entities the Fund invests in may not be able to provide an adequate return and hence the Fund may not be able to meet its target net return rate of 12.8 percent per annum (pre-tax and net of fund management fees and ordinary expenses) to Investors. An investment in the Fund is not the same as depositing money in an account with a bank and an investment in the Fund is riskier than depositing money in a transactional bank account or term deposit with a bank. An investment in the Fund is also not covered by the depositor protections available to depositors that make a deposit with an Australian ADI. Returns are not guaranteed and are not forecasts.

ii) Creditor risk

There is a risk that either the entities in which the Fund invests, for example, MoneySpot Finance and other Credit Providers, or the Borrowers to whom entities such as MoneySpot Finance lends may not be able to meet their financial obligations to pay interest and/or principal in respect of the Fund's investments or loans when they fall due, which could impact upon the Fund's performance and the value of Units.

iii) Regulatory risk

The entities that the Fund will invest in issue loans that are usually unsecured, smaller, of a shorter duration and attract a higher fee or interest rate than standard secured loans usually offered by a bank. As a result, they have attracted attention from government regulators and consumer advocates who have argued for tighter regulation and a reduced fee structure. There is a risk there will be further regulation to limit the amount a consumer can be charged which could affect the Fund meeting its investment return objective. This risk can seek to be mitigated by the Fund diversifying its investments into credit products and jurisdictions that are more suitable to meet our risk profile and targeted rate of return.

iv) Diversification risk

Initially the Fund will invest in unsecured notes issued by MoneySpot Finance for the primary purpose of funding the loan book of MoneySpot Finance. MoneySpot Finance is a related entity of the RE and participates in the small and medium personal and business loans segment of the credit market and will use the funds it receives from the Fund to further participate in these markets. While this segment can historically be especially profitable with a lower overall default risk due to the spread of loans over thousands of borrowers, the majority of the loans that the Fund will have access to are being made by one entity, MoneySpot Finance. The investment objective of the Fund will therefore highly depend on the performance of MoneySpot Finance to be able to lend and collect interest and principal repayments from its Borrowers, and this risk is not borne across different Credit Providers for the majority of investment monies raised by the Fund.

As the Fund geographically diversifies its investment into other Credit Providers in other jurisdictions, the added complexity of investing in different business and regulatory environments may increase the cost of managing the Fund. This may result in reduced returns to investors if the additional costs cannot be passed onto the Credit Providers.



v) Defaults and non-performing loans

Investors should note the RE believes it is inevitable that some of MoneySpot Finance's loans, and loans from other Credit Providers, will become delinquent as a result of Borrowers' failure or inability to pay, despite diligent credit assessment measures undertaken by MoneySpot Finance and other Credit Providers. Therefore, Investors should be aware the Fund will bear some risk in this regard. If defaults were to occur on a larger than expected scale, there may be a negative effect upon the Fund's returns as a result of MoneySpot Finance's and the other Credit Provider's Borrowers' failure or inability to repay their loans impacting on their ability to pay the coupon rate and principal repayments under the unsecured notes it issues to the Fund. MoneySpot Finance's historic loan default rate is approximately 5% of the principal amounts lent. Please note, past performance is not necessarily indicative of future performance.

vi) Loan origination risk

A failure by MoneySpot Finance or other Credit Provider to deploy funds to its Borrowers may result in an application to invest in the Fund being rejected by the RE, in whole or in part. If an application is refused, then the Application Money will be refunded. No interest will be paid on the Application Money for the period it is in the applications bank account.

vii) Legal & Regulatory change

Changes in laws (including taxation laws) or their interpretation, including changes in the practice and policy of regulators, may have a negative impact on the Fund. In addition, if the AFS licence of the RE or the ACL of MoneySpot Finance is suspended or revoked, then this could impact adversely on the Fund. A deficiency in loan documentation with the Borrowers and the Credit Providers could also, in some circumstances, adversely affect the return from the Fund's investments.

viii) Related Parties and Conflicts of Interest

The RE has significant roles and responsibilities in relation to the Fund. It is a related party and is a wholly-owned entity of MoneySpot Finance and the Fund is the sole provider of funding to MoneySpot Finance loan book via its investment in the unsecured notes issued by MoneySpot Finance. There is a risk that decision-making between these entities may not be impartial and subject to conflicts of interest. This may adversely affect the viability of the Fund.

The RE has a related party transactions policy which acknowledges that related party dealings be on arm's length terms, or if not on arm's length terms, be approved by the members of the entity giving the benefit to the related party, or that an exemption applies to the transaction. The related party transaction policy sets out the procedures designed to protect Investors' interests and ensure that related party transactions are on arm's length terms or otherwise comply with the Corporations Act.

The RE has established internal policies and procedures to ensure that any conflicts of interest arising in relation to the Fund are adequately identified and appropriately managed. Where we consider that a particular conflict of interest is likely to have a materially adverse effect on Investors, we will seek to implement adequate arrangements to mitigate and prevent (where practicable) these adverse effects on Investors. We will resolve such conflicts

of interest fairly and reasonably in accordance with the law, ASIC policy and our own procedures.

ix) Operational and Procedural Risk

The success of the Fund is dependent upon the operational stability of the Fund, in particular the operating and administration procedures and operational controls established by the RE. A breakdown in the administrative procedures or operational controls may cause a disruption of day-to-day Fund operations. Such interruptions may arise internally through human error or technology and infrastructure failure or possible external events such as natural disasters or regulatory changes. Whilst procedures to address such occurrences are in place and the procedures are monitored, these risks cannot be mitigated entirely.

x) Liquidity risk

The Fund will be illiquid. This means you will only be able to withdraw from the Fund in response to a withdrawal offer made by the RE. The RE does not intend to make withdrawal offers to Investors in a Unit Class for a period of 6 months from the date of issue of that Unit Class.

The RE can only make withdrawal offers in accordance with the Constitution and the Corporations Act if there are sufficient assets available to it to satisfy any withdrawal requests made in response to the offer. The availability of assets is primarily affected by the returns the Fund receives from its investments, in particular, the payment of coupon amounts by MoneySpot Finance and other Credit Providers and repayment of unsecured notes on maturity.

You should be aware that whilst you may transfer your Units in the Fund to a buyer, there is no secondary market for Units.

Please refer to section 5.5 for more information about redemptions.

xi) Fraud

There is a risk that Borrowers may deliberately fabricate evidence to support their loan applications with MoneySpot Finance or other Credit Provider and that they have no intention of paying off their loan or have overstated their ability to pay off their loan and the credit worthiness. Although MoneySpot Finance has procedures in place to detect fraudulent applications, the risk of fraud cannot be completely discounted.

xii) Multi-Unit Class risk

Interests in the Fund are divided into Units and the Units are further divided into Unit Classes. Each Unit Class will receive the income attributable to its assets, being the unsecured notes issued by MoneySpot Finance or other Credit Providers on the day of the issue of the Units Class and must bear the liabilities associated with its investments. There is legally no separation between the assets and liabilities of each Unit Class. There is also a risk that the expenses or liabilities of one Unit Class may affect the value of the other Unit Classes in the Fund and if one Unit Class is unable to pay its expenses or there a default by the unsecured note issuer in repaying the note, the Fund as a whole may be impacted.

### 4.3 General Fund and investment risks

a) Compliance

If we fail to comply with our AFS Licence conditions, the Constitution, Compliance Plan or Corporations Act it will likely have an adverse impact on you and the value of your investments. In particular, this may occur if ASIC take action to:

- i) wind up the Fund; or
- ii) remove us as the responsible entity.

b) Inflation risk

Inflation risk refers to the risk an investor faces of losing the purchasing power of capital invested. Although the nominal value invested may remain, positive inflation will progressively reduce its value relative to what can be purchased by each dollar over time.

c) Regulatory risk

There is a risk that changes to the regulatory environment for financial services or the finance industry may, either directly or indirectly, affect the value of the investment in the Fund.

d) Taxation risk

- i) Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.
- ii) Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Fund. You should consult your own taxation adviser to ascertain the tax implications of your investments. See section 5.8 for further information.

e) Macroeconomic risk

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may have a negative impact on the Fund's performance and on the value of your investment.

f) Custodial risk

There is a risk that the custodian of the Fund may not undertake their duties in accordance with their contractual terms and this may impact upon the operations and performance of the Fund.

(g) FATCA Risk

The Fund intends to be treated under Australian FATCA rules, being the CRS, as a Reporting Financial Institution or a trustee-documented trust, and is not expected to be subject to a 30% FATCA withholding tax on US sourced income. However, this cannot be assured given the complexity of the Australian FATCA rules.

### 4.4 Key aspects of MoneySpot Finance's risk management strategy

The Fund is primarily exposed to the risks of the business model of MoneySpot Finance because the majority of the Fund's investments are in unsecured notes issued by MoneySpot Finance.

MoneySpot Finance takes steps to reduce its exposure to fraud from its Borrowers. These steps include identity and source of funds verification processes for anti-money laundering and counter terrorism financing purposes as well as using proprietary and third party provider's fraud detection services in connection with the Borrowers. MoneySpot Finance also applies the skills and resources of its team to detect signs of fraudulent intent within loan applications.

Measures implemented by MoneySpot Finance to minimise vulnerability to fraud by its Borrowers can include:

- a) Online borrower identity verification via MoneySpot Finance's chosen credit bureau.
- b) Undertaking fraud matching checks using a proprietary database prior to approving Borrower credit applications.
- c) Carrying out a comprehensive credit assessment to determine the suitability of the loan;
- d) Contacting Borrowers for further information or clarification of issues arising from the credit assessment;
- e) Assessment of the bone fide nature of any documents provided to support the loan application;
- f) An assessment of the applicants' bank statement information, in particular the last 90 days' worth of transaction history from their income account.
- g) Verification procedures to ensure that loan funds being disbursed are paid into the correct bank account, for example either an account belonging to the relevant Borrower or to the account of the debt provider being refinanced in the case of a loan for debt consolidation.

The Fund will only select other Credit Providers which have in place similar risk management strategies in place to those of MoneySpot Finance as described above however differences may apply due to the nature of the notes issued and the jurisdiction of the Credit Provider.

## 5. INVESTOR INFORMATION

### 5.1 Who can invest?

To be eligible to invest in the Fund, Investors must fall into at least one of the following categories:

- a) Individuals (either singly or jointly) over 18 years of age;
- b) Companies;
- c) Trustees and trustee companies;
- d) Partnerships; or
- e) Superannuation funds (including self-managed superannuation funds).

### 5.2 Initial and additional investment

#### a) Initial Investment

The minimum initial investment as a lump sum is \$1,000.

#### b) Additional investments

If you already hold Units, you can make additional investments. The minimum additional investment is \$1,000.

You will need to make reference to your investor number and clearly state your investment amount.

Before making any additional investment, we recommend you check the Updated Information and the most recent PDS for the Fund which can be found on our website.

#### c) Cooling-off period

There is no cooling-off period relating to an investment in the Fund.

#### d) Investing through a Platform

i) You may invest indirectly in the Fund through a Platform as an Indirect Investor. As an Indirect Investor, you may rely on and are authorised to use the information in the PDS to direct the Platform Operator to invest in the Fund on your behalf. An Indirect Investor does not become an Investor in the Fund.

ii) Accordingly, an Indirect Investor does not acquire the rights of an Investor or acquire any direct interest in the Fund such as Units. The Platform Operator acquires these rights and can exercise, or decline to exercise them on behalf of the Indirect Investor according to the arrangements governing the Platform. An Indirect Investor who invests in the Fund through a Platform should ignore the information in the PDS that is relevant only for direct Investors.

iii) This includes information relating to:

##### 1. Application Form

A person investing in the Fund through a Platform should not complete the Application Form. An Indirect Investor should complete the application form supplied by the Platform Operator.

2. Application Form  
An Indirect Investor will receive no statements, tax information or other information directly from us. An Indirect Investor should receive equivalent information from the Platform Operator.
3. Withdrawal / redemption  
The provisions of the Constitution which relate to the redemption or withdrawal of the Units will affect the Platform Operator and not the Indirect Investor.

e) Change of account details

Once invested in the Fund, Investors can change their details by notifying us by post or email.

The written request, sent by the Investor's authorised signatory, must include the Investor's:

- i) account name;
- ii) account number;
- iii) authorised signature(s); and
- iv) the details which are being changed (for example, change of address, bank account details, distribution nomination, and financial adviser details).

If changing an address, it is necessary to provide both the old and new address.

If changing bank account details for redemptions or distributions, Investors will need to provide us with an original written request, rather than a fax, photocopy or scanned version.

We issue one investor number for each Investor. If an Investor advises us to amend Investor details in respect of the Fund held, we will apply the new details across all the RE funds in which the Investors holds units unless you tell us otherwise.

### 5.3 Issue of Units and Unit pricing

a) Issue of Units

We process applications for investment in the Fund once every week. If we receive your Application Form and Application Money by 4:00pm (AEST) on Wednesday, the Business Day prior to our weekly processing cut-off date ("processing cut-off date"), Units will be issued to you on the next Business Day. If your Application Form and Application Money are received after the processing cut-off date, then your application will not be processed until the end of the following processing cut-off date up to a week later.

Investors will be issued with the number of Units determined by dividing the amount of the Application Money by the Application Price (\$1.00 per Unit in each Unit Class) (see "Unit pricing" below).

b) Unit pricing

The assets of each Unit Class in the Fund are valued at least every 6 months by the RE or its agent, the Administrator, and the net asset value is established as per the Constitution of the Fund and the RE's unit pricing policy.

The Application Price for each Unit in a Unit Class is fixed at \$1.00. The Withdrawal Price for a Unit is calculated by dividing the net asset value of the assets attributable to the Unit Class by the number of Units on issue in the Unit Class. There is no buy-sell spread.

Given the nature of the proposed fixed interest-type investments of the Fund (such as unsecured notes), it is anticipated that except in the case of default by a Credit Provider such as MoneySpot Finance, the Withdrawal Price should remain constant at \$1.00 per Unit. Please note, no returns are guaranteed and you may suffer capital loss. For example, if MoneySpot Finance fails to repay the full amount of a tranche of unsecured notes acquired by the Fund on the date due for repayment, then the Withdrawal Price for the Unit Class to which the tranche relates will be the amount of money received from MoneySpot Finance less the costs associated with that investment or Unit Class divided by the number of Units in the Unit Class on issue. This may result in a Withdrawal Price of less than \$1.00.

A copy of our policy regarding the exercise of discretions under the Constitution concerning Unit price calculations is available free of charge on request.

#### **5.4 Transferring investments**

Investors may transfer Units to any other person. However, we have the discretion to refuse transfers of Units without giving any reasons for this refusal.

To affect a transfer to another person, the following will be required:

- a) a signed and completed standard unit transfer form (with duty paid, if applicable), and
- b) notification of the transferee's Investor name and number (or if a new Investor, an Application Form).

Standard unit transfer forms are available by contacting us or from our website.

No buy-sell spread is applied to Unit transfers. A transfer of Units may have tax implications and Investors should seek their own tax advice in this regard.

#### **5.5 Redemptions and automatic rollovers**

As the Fund is illiquid, you can only withdraw your investment in the Fund in response to a withdrawal offer made by us. We do not intend to make any withdrawal offers to Investors in a Unit Class for a period of 6 months from the date of issue of that Unit Class and, as you will not be able to participate in a withdrawal offer in a Unit Class until 6 months following your investment in that Unit Class, this is the minimum period you should consider holding an investment in the Fund. The minimum suggested investment timeframe should not be considered personal advice.

Our ability to make withdrawal offers is materially affected by a number of factors including having sufficient cash available from the Fund's investments to make such offers. We therefore cannot guarantee that we will make withdrawal offers every 6 months or at any time. Any withdrawal offers we make must be made in accordance with the Constitution and the Corporations Act. We will make information available about any withdrawal offer to eligible Investors by email.

However, in the absence of default by the Borrowers of loans issued by MoneySpot Finance or other Credit Providers, we expect to make withdrawal offers to Investors in a Unit Class for a period of 6 months from the date of issue of that Unit Class or 6 months from the date of your subsequent automatic rollover where a withdrawal offer is not accepted (described below). Approximately 28 days before the end of each 6 month period during the term of your investment, we intend to make a withdrawal offer for the total amount of your investment in the relevant Unit Class. If you accept the offer, then you will

receive your redemption monies for the Unit Class within 21 days of the close of the withdrawal offer period.

If you do not wish to withdraw your investment in the relevant Unit Class or you do not respond to our withdrawal offer, then your investment in the Unit Class will continue and the maturity date of the notes or other investments associated with that Unit Class will be automatically rolled over for the unredeemed component of your Unit Class for an additional term of 6 months and the RE will seek to make a further withdrawal offer 6 months later. This process will be repeated at the close of each withdrawal offer for a Unit Class.

All withdrawals (including in respect of withdrawal offers) are subject to a minimum withdrawal amount of \$1,000 and minimum investment balance of \$1,000.

Any withdrawal offers must be made in accordance with the Constitution and the Corporations Act. The RE will make information available about any withdrawal offer to eligible Investors via email.

## **5.6 Distributions**

We will seek to make distributions monthly, but please note no returns are guaranteed. A distribution is a payment of the Fund's taxable income and may include distributions from the Fund and other income. The components of the distribution will vary from period to period. There may also be times when no distribution is paid. Distributions from the Fund are not pro-rated for the duration of the investment during the tax year.

Cash distributions will only be paid to a bank, building society or credit union account. The account nominated by the Investor must be in the name of the Investor, as it is our policy not to make third party payments.

If payment to your nominated account is rejected by your financial institution, your distribution amount will be reinvested using the Application Price at the beginning of the next week after receipt of the notice of rejection from the financial institution.

Investors will need to advise us in writing of any change to distribution nomination and account payment details. For a change to be reflected in the next distribution, such advice must be received by us no later than 5 Business Days prior to the last day of the financial year.

## **5.7 Investor reporting**

The Fund is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act as further set out in section 7.8. These include the preparation of annual reports and half yearly reports. A copy of the audited annual financial report for the Fund is available on our website <https://invest.moneyspot.com.au> by the end of September each year.

You may elect to receive a hard copy of the annual report by completing the relevant section of the Application Form or by contacting us. Copies of documents lodged with ASIC are available to the public and may be obtained from, or inspected at, an ASIC office.

As an Investor in the Fund, you will receive the following advices and reports:

- a) Investment confirmation advice, indicating your initial investment in the Fund, together with details of Application Price and number of Units issued (generally sent within 5 Business Days of the acceptance of the Application Form).



- b) Redemption confirmation, providing details of Unit redemptions and Withdrawal Prices (generally sent within 5 Business Days of the redemption request being processed).
- c) Regular distribution statements (generally sent within 5 Business Days of payment of the distribution).
- d) An annual taxation statement, detailing all relevant taxation information relating to distributions from the Fund required for Investor taxation returns (generally sent by the end of August each year or shortly after). Included with the statement will be historical and current financial information of the Fund.

Additionally, Investors will be provided access to the investor portal at

<https://invest.moneyspot.com.au> where annual and periodic statements can be viewed and downloaded.

## 5.8 Taxation information

### a) Introduction

Investing in a registered managed investment scheme is likely to have tax consequences. The information contained in the following summary is intended to be of a general nature only.

It does not constitute tax advice and should not be relied on as such. You are strongly advised to seek independent professional advice on the tax consequences of an investment in a Fund, based on your particular circumstances, before making an investment decision.

### b) Tax position of the Fund as an ordinary trust

Generally, Australian income tax will not be payable by the Fund because Investors will be presently entitled to all of the distributable income of the Fund each year ending 30 June. If there is net income of the Fund that no Investor is presently entitled to, the Fund will be subject to tax at the highest marginal tax rate (plus Medicare levy).

### c) Tax position of the Fund as an Attribution Management Investment Trust (AMIT)

If the Fund qualifies and elects to be treated as an AMIT, the Investors of the Fund must include in their assessable income their “determined members component”, which broadly speaking is the trustee’s allocation of the net (taxable) income of the Fund to each Investor as determined on a fair and reasonable basis in accordance with the Fund’s constituent documents (e.g. the Constitution and this PDS).

### d) Australian Resident Investors

#### i) Distributions

For information about the calculation of your distribution entitlement, see ‘Distributions’ in clause 5.6.

The net income of the Fund as stated on your distribution statement must be included in your income tax return for the year of the entitlement even if the distribution is received in the following year – see ‘Annual tax statement’ in clause 5.8(d)(v).

#### ii) Capital Gains Tax — general

Any withdrawal, disposal or transfer of units in the Fund may create loss (or, in extraordinary circumstances, a gain), which will be treated either on capital or revenue account, depending on your circumstances.

iii) Capital gains implications – ordinary trust

If the cash distribution to an Investor exceeds an Investor's allocation of the Fund's net (taxable) income, the excess (known as a "tax deferred" distribution) will generally not be assessable to the Investor. This can arise as a result of timing differences between taxable income and accounting income. However, any such distribution will reduce the Investor's CGT cost base on their Units. Once the cost base of the Units has been reduced to nil, further tax deferred distributions are assessable as capital gains to the Investor under CGT event E4.

iv) Capital gains implications - AMIT

If the cash distribution plus tax offsets to an Investor exceeds an Investor's allocation of the Fund's net (taxable) income, the excess will generally not be assessable to the Investor. However, any cash plus tax offsets distributed will reduce the Investor's CGT cost base on their Units. Once the cost base of the Units has been reduced to nil, further cash or tax offsets distributed are assessable as capital gains to the Investor under CGT event E10.

Investors may be able to increase their tax cost base of their units if the total taxable determined member components (i.e. the Fund's net (taxable) income assessed to the Investors) exceeds the cash distributed plus tax offsets. This increase to the cost base will occur as a result of CGT event E10.

v) Annual Tax Statement

We will issue annual tax statements for the Fund at the end of August each year, or shortly after. It will show the taxable and non-taxable components of your distributions.

Any net cost base adjustments will also be shown on the annual tax statement if the Fund is an AMIT.

e) Non Resident Investors

Non-resident Investors are liable to tax on Australian sourced income and capital gains distributed by the Fund. Non-resident Investors may also be subject to tax in the country they reside in, but may be entitled to a credit for some or all of the tax paid in Australia.

f) Reporting

We are required to report to the ATO certain information relating to your transactions in the Funds, including distribution information.

For Investors that are considered to be residents of certain countries for tax purposes, we may be required to obtain additional information and report it to the ATO or overseas tax authority each year, including investment balances and income received under rules designed to combat tax evasion in the relevant country. See Section 5.10 for more information regarding FATCA.

g) Tax File Number (TFN) / Australian Business Number (ABN)

Providing your TFN is not compulsory but without it or the appropriate exemption information we have to withhold tax from your distributions at the highest marginal tax rate (plus Medicare Levy) until your TFN or exemption is provided.

You may prefer to provide an ABN as an alternative to your TFN if your investment is made as part of an enterprise.

We are authorised under tax laws to collect TFNs and ABNs in connection with your investment in the Fund.

**h) Goods and Services Tax (GST)**

GST generally applies to the fees, costs and expenses payable by the Fund, including management costs and other fees or expenses payable to us.

Generally, the Fund cannot claim a credit for all of the GST paid but may be entitled to claim a reduced input tax credit (RITC), which represents a portion of the GST applicable to management costs and certain other expenses.

The management costs and other fees and expenses specified in the table within 'Fees and other costs' in clause 6 show the approximate net cost to the Fund of these amounts payable to us, on the basis that the Fund is entitled to claim RITCs for the GST on these amounts

## **5.9 Overseas investors**

No action has been taken to register or qualify the Units or the offer of Units or otherwise permit a public offering of the Units, in any jurisdiction outside Australia. The Units have not been and will not be registered under the United States Securities Act of 1933 (US Securities Act) and may not be offered or sold in the United States (US) or to, or for the account or benefit of US persons except in transactions exempt from the registration requirements of the US Securities Act. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this PDS comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The PDS does not constitute an offer of Units in any jurisdiction where, or to any person whom, it would be unlawful to issue this PDS. Where this PDS has been dispatched to any persons domiciled outside Australia and where that country's securities code and legislation require registration, this PDS is provided for information purposes only. It is the responsibility of any overseas applicant to ensure compliance with all the laws of any country relevant to his or her application. The return of any duly completed Application Form will be taken by us to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

## **5.10 FATCA and CRS**

The United States has introduced rules known as enacted the U.S. Foreign Account Tax Compliance Act (FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, we will not be able to process your application.

In order to comply with these obligations, the RE will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

The Australian Government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. In order for the Fund to comply with their obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Failure to comply with our FATCA Obligations could result in the Fund being subject to a 30% US withholding tax on payments of US income or gross proceeds from the sale of particular US securities. However, to the extent that all information requested by us is obtained, this withholding tax should not apply to the Fund or Investors. It is important to note that:

- a) although the Fund may attempt to take steps to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be successful, and
- b) if you fail to provide us with any information requested by us, and we become subject to such withholding tax, we may seek to recover the amount of such tax from you.

## 6. FEES AND OTHER COSTS

### 6.1 Consumer advisory warning

The Corporations Regulations 2001 (Cth) requires us to include the following standard consumer advisory warning. This warning is required to be inserted into all product disclosure statements and is not specific to this 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 fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000.00 to \$80,000.00).**

**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 contribution fees and management costs where applicable. Ask the Fund or your financial adviser.**

#### TO FIND OUT MORE

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

### 6.2 Fees and other costs

- a) This PDS including the below table 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 Fund assets as a whole.
- b) Taxes are set out in another part of this PDS (refer to section 5.8).
- c) You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
<b>Management costs payable by the Fund <sup>1</sup></b>		
The fees and costs for managing your investment	<p>The management costs of the Fund consist of:</p> <p><b>Management fees (payable to the RE)</b> 1.075% per annum of the net asset value of the Fund.</p> <p><b>Expense recoveries (payable from the Fund)</b> Estimated to be 1.025% per annum of the net asset value of the Fund.</p>	<p>The management fee:</p> <ul style="list-style-type: none"> <li>• accrues daily and is payable monthly in arrears; and</li> <li>• is deducted from the Fund's assets and is reflected in the Fund's Unit price.</li> </ul> <p>We generally don't negotiate our fees, but very large wholesale clients may be eligible for bonus units.</p> <p>The Constitution of the Fund allows all properly incurred expenses to be recovered directly from the Fund. If applicable, when expenses are paid by the Fund, they will be deducted from the Fund's assets and reflected in the Fund's Unit price. Expenses are generally paid when incurred. This estimate includes all ordinary expenses properly incurred by the RE and abnormal expenses are estimated at the time of this PDS to be nil. These expenses are not negotiable.</p>
<b>Service fees</b>		
Switching fee The fee for changing investment options	Nil	Not applicable

1. Please refer to 'Management costs' in the 'Additional explanation of fees and costs' in section 6.3 below for further details.

## 6.3 Additional explanation of fees and costs

### a) Management costs

Management costs include management fees paid to the RE under the Constitution, estimated performance fees, expense recoveries and abnormal operating expenses and any indirect costs (if applicable). Management costs are deducted from the assets of the Fund and not charged directly to your account. They do not include contribution fees, transaction costs or additional service fees.

Management fees are the fees payable under the Constitution to the RE for the management of the Fund. Management fees are calculated on the net asset value of the Fund accruing daily and are payable monthly in arrears from the assets of the Fund. The RE receives a management fee of 1.075% per annum of the net asset value of the Fund.

The target return rate of 12.8% per annum is net of fund management fees and ordinary expense recoveries. Please note this is a target and not a forecast.

We reserve the right to delay or waive payment of the above fees at our discretion.

b) Expense recoveries

In addition to receiving a management fee, we are entitled to be reimbursed for expenses and costs incurred in the proper management of the Fund (expense recoveries). The expense recoveries represent the ordinary operating 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. That's why we only include an estimate of these expenses. Expenses recoveries are estimated to be 1.025% per annum of the net asset value of the Fund.

Ordinary expenses are the ordinary and every day expenses incurred in operating the Fund. These ordinary expenses include:

- i) fees and expenses payable to the Custodian, Registrar and Administrator;
- ii) fees and costs of the audit of the Fund and the Compliance Plan;
- iii) statutory charges including taxes, government fees and levies;
- iv) registry charges, accounting fees, legal fees, printing of annual reports, postage and handling, Compliance Committee costs, expert and consultant fees;
- v) all other costs, disbursements and outgoings incurred in connection with the management and administration of the assets and performance of the duties and functions of the responsible entity under the Constitution; and
- vi) all costs and expenses we incur in relation to the preparation, due diligence, printing, promotion and distribution of this PDS and any costs incurred in amending or replacing any the Constitution or Compliance Plan or any other aspect of the Fund.

Abnormal 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 Investor meetings, changing the Constitution or defending or pursuing legal proceedings. Abnormal expense recoveries are not included in the estimate of expense recoveries described in this section and are not included in the management costs set out in the tables in section 6.2 and 6.4. As at the date of this PDS, abnormal expenses are estimated to be nil.

The target return rate of 12.8% per annum is net of fund management fees and ordinary expense recoveries. Please note this is a target and not a forecast.

c) Transaction and operating costs

As at the date of this PDS, transaction and operating costs for the Fund are estimated to be nil.

d) Borrowing costs

e) As at the date of this PDS, borrowing costs for the Fund are estimated to be nil

f) Differential fee arrangements

We may negotiate different fee arrangements, such as fee rebates, waivers or reductions, for Wholesale Clients. Such differential fee arrangements will be by individual negotiation with us in our sole discretion.

g) Fee entitlement

Notwithstanding anything else contained in this PDS, our entitlement to fees and expenses under the Constitution will be deducted from the assets of the Fund prior to distribution payments being made to Investors.

h) GST, stamp duty and other transactional costs

All fees stated in this PDS include (if applicable) GST less any reduced input tax credits and stamp duty.

Transaction costs, such as government taxes, duties, levies, bank charges and account transaction charges, associated with the acquisition of assets from funds subscribed by Investors are paid from the Fund.

i) Fees for Indirect Investors

Indirect Investors must also refer to the fees and costs payable for the Platform they are investing through. The Platform Operator will be the registered holder of 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 Platform for more information.

j) Payments to your financial adviser

Fees payable by you to your financial adviser are pursuant to your arrangements with the financial adviser. The RE is therefore not responsible for, and have no liability in respect of, these arrangements. You should refer to the statement of advice your adviser provides you for details of the fees charged by them.

(h) Fee maximums and changes to fees

Under the Constitution the RE may charge a higher management fee and may, within the bounds of the Constitution, elect to change these fees (e.g. due to changes in economic conditions and size of the Fund) without the Investors' consent and however Investors will be provided at least 30 days written notice of any change in these or other fees.



## 6.4 Example of annual fees and costs of the Fund

This table gives an example of how the fees and costs of the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example		Balance of \$50,000 with total contributions of \$5,000 during year <sup>1</sup>
Contribution Fees	Nil	For every additional \$5,000 invested you will not be charged a contribution fee.
PLUS Management costs <sup>2</sup> comprised of: Management fees plus Expense recoveries (for ordinary expenses)	2.1% per annum: (1.075% plus 1.025%)	And, for every \$50,000 invested in the Fund, you will be charged \$1,050 each year.
EQUALS Cost of Fund	2.1% per annum	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will incur fees up to \$1,050 <sup>3</sup> <b>What it costs you will depend on the fees you negotiate with the Fund.</b>

1. It is a requirement of the Corporations Regulations that the above example assumes a balance of \$50,000 and an additional contribution of \$5,000.
2. The management costs disclosed in this example include estimates for fund management fees and ordinary expense recoveries.

Certain additional costs may apply, such as abnormal expense recoveries. For more information, please refer to the explanation of 'Management costs' in the 'Additional explanation of fees and costs' section above.

3. The calculation of the management costs in the example assumes that the additional \$5,000 invested in the Fund occurs at the end of the relevant period and therefore no management fees are payable on the additional investment. Additional fees may apply such as any upfront or ongoing fees you agree to pay your adviser. You should refer to the Statement of Advice provided by your adviser for information regarding fees payable by you to them.

## 7. ADDITIONAL INFORMATION

### 7.1 Complaints and dispute resolution

If you have a complaint or dispute about any aspect of your investment in the Fund, please write to us at:

**The Complaints Officer**

MSI Funds Management Limited

Level 1, 7-11 Little Buckingham St

Surry Hills NSW 2010

Alternatively, you can phone us on 1300 048 156 or email us at [info@moneyspot.com.au](mailto:info@moneyspot.com.au).

We are a member of, and participate in, the Australian Financial Complaints Authority (AFCA), membership number 46352, an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved by us, then you are entitled to make a complaint to AFCA at:

**Australian Financial Complaints Authority**

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

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

### 7.2 Privacy

The RE takes all reasonable steps to protect your personal information. In addition to the collection of information pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (see Section 7.3 for more details), personal information is collected for the purpose of providing investment products to Investors and the RE will use your personal information for:

- a) processing your Application Form to acquire Units;
- b) informing you or any potential investment opportunities in funds to be promoted and/or managed by the RE or any of its related entities (if you do not wish to receive this information please contact the RE);
- c) administering the Fund (including calculation of entitlements and distributions, and ownership and interests in Units); and
- d) any purpose related to the above purposes.

If you provide incomplete or incorrect information, we may be unable to provide you with the product or service for which you are applying.

The RE may need to collect personal information about a third party from you as part of your Application Form. If we do this, you agree you will advise that person that we have collected their information, and that in most cases they can access and seek correction of the information we hold about them.

Your personal information may be disclosed to related entities of the RE and any organisation (such as an accountant, auditor, Custodian or Administrator) involved with the administration of the Fund for any of the above purposes.

The provision of the personal information requested is needed to allow your application to be processed. By completing the Application Form, you consent, for the purposes of the Spam Act 2003 (Cth) to receiving commercial e-mails from the RE, related entities of the RE or any other entity involved in the administration of the Fund.

In most cases, you can gain access to and seek correction of your personal information. Should you wish to do so, or if you have any queries about your information, please contact us on 1300 048 156.

You should also read our privacy policy. Our privacy policy contains information about:

- a) how you can access and seek correction of your personal information;
- b) how you can complain about a breach of the privacy laws by the RE and how we will deal with a complaint; and
- c) if we disclose personal information to overseas entities, and where practicable, which countries those recipients are located in.

Our privacy policy is available on our website [invest.moneyspot.com.au/privacy](http://invest.moneyspot.com.au/privacy) or by telephoning 1300 048 156.

### **7.3 Anti-money laundering**

Under Australian legislation, the Anti-Money Laundering and Counter- Terrorism Financing Act 2006 (AML/CTF Act), certain additional identification is required from Investors. We are obliged under this legislation to satisfy thorough Investor identification and verification requirements prior to accepting an application for Units in the Fund. The processing of applications may be delayed until any requested documentation is received in a satisfactory form and the identity of the Investor is verified.

If an Investor or Indirect Investor invests in the Fund through a dealer, Platform Operator or financial adviser, then they will request and collect any verification materials from the Investor or Indirect Investor. Investors who invest in the Fund directly must provide us with the relevant identification material, along with a completed Application Form.

We may request additional information from Investors and Indirect Investors where we reasonably consider it necessary to satisfy our obligations under the AML/CTF Act.

### **7.4 Labour standards and social, ethical and environmental considerations**

The RE does not take into account labour standards, environmental, social or ethical implications for the purpose of selecting, retaining or realising the investments.

### **7.5 Interests of the RE and its directors**

Pursuant to the Constitution, our employees and officers are entitled to apply for Units. It is our policy to review any such application, which must be on the same basis as that of other Investors.

The Fund may invest in other products for which we act as responsible entity, trustee, manager or agent or which are issued by our related parties such as MoneySpot Finance.

## 7.6 Material documents

We consider that certain documents are material to the operations of the Fund and may be relevant to you. A description of material documents, together with a summary of the more important details of each of these documents, is set out below.

### a) Constitution

The Constitution establishes the Fund and governs your rights and obligations as an Investor. Investors are bound by the provisions of the Constitution. The Constitution and the Corporations Act regulate the operation of the Fund and set out the rights and liabilities of Investors and of our responsibilities and duties as the responsible entity.

The Constitution includes provisions which relate to:

- i) the responsible entity's powers, duties and obligations;
- ii) the rights and obligations of Investors;
- iii) the ability of Investors to remove the responsible entity;
- iv) the issue of Units and the procedure for the redemption or withdrawal of Units;
- v) unit pricing;
- vi) the transfer and transmission of Units;
- vii) the valuation of the Fund;
- viii) fees payable to the responsible entity;
- ix) the responsible entity's right to be indemnified by the Fund for expenses, losses and liabilities arising in its capacity as responsible entity providing it has properly performed its duties;
- x) the winding up of the Fund;
- xi) meetings of Investors;
- xii) complaints and procedures in relation to the Fund; and
- xiii) the responsible entity's limitation of liability (subject to the Corporations Act).

We may amend the Constitution without Investor consent where we reasonably consider the amendment will not adversely affect Investors' rights. Otherwise, the Constitution can only be amended where at least 75% of votes cast by Investors (at a meeting convened in accordance with the Constitution and the Corporations Act) vote in favour of the amendment.

We may retire or be removed as responsible entity by Investors in accordance with the Corporations Act.

Investors may view a copy of the Constitution at our registered office during business hours. A copy of the Constitution may be obtained by searching ASIC records or by written request to us

### b) Compliance Plan

We have adopted a Compliance Plan which has been lodged with ASIC. The Compliance Plan is a document that outlines the principles and procedures in relation to the conduct of the Fund that we follow to ensure we comply with the provisions of the Corporations Act, ASIC policies and guidelines and the Constitution.

The Compliance Plan deals with a wide range of issues including:

- i) that the assets of the Fund are identified as assets of the Fund;
- ii) the assets of the Fund are valued at appropriate regular intervals; and
- iii) accurate records of the Fund's operations are kept.

Each year, the adequacy of the Compliance Plan is audited by an external Compliance Plan auditor and the audit report is lodged with ASIC.

The Compliance Plan may be viewed at our offices during normal business hours.

c) Custodian Agreement

The RE has entered into a Custodian Agreement in respect of the Fund.

The Custodian has been appointed under the Custodian Agreement to hold the Fund's assets. The Custodian's duties also include maintaining certain records relating to the assets and providing quarterly reports to the RE. The Custodian's liability under the Custodian Agreement is limited, except in the case of fraud, wilful default, negligence or breach of the Custodian Agreement by the Custodian.

The Custodian is entitled to be indemnified or reimbursed for expenses incurred in connection with the performance of its duties and the exercise of its powers under the Custodian Agreement. Either party may terminate the agreement immediately on the occurrence of certain other events, including, acts of insolvency, and material breaches of the agreement.

d) Note deed poll and general security deed

The unsecured notes which the RE intends to acquire from MoneySpot Finance are issued pursuant to a note deed poll dated 10th March 2017. Although the notes issued by MoneySpot Finance are secured by a general securities deed over all present and after acquired property other than land of MoneySpot Finance, the notes are 'unsecured notes' pursuant to section 283BH of the Corporations Act.

Pursuant to the note deed poll:

i) Each unsecured note ranks:

1. subordinate to any finance facility of MoneySpot Finance.

At the date of this PDS, MoneySpot Finance has approximately \$1,000,000 in secured debt. Please note this amount may fluctuate up and down over time. It has granted a general security deed over all of its present and after acquired property other than land in favour of the lender of that debt. This security will rank ahead of the security granted to the Fund under the note deed poll until such time as the security is released. When repaid, the security granted to the lender will be released and the Fund's security should rank first. There is no prescribed time frame within which MoneySpot Finance must repay the secured debt. MoneySpot Finance does not intend to undertake any further significant borrowing however that is dependent on whether the Fund generates sufficient funds to accommodate the growth of the loan book;

2. upon a winding up of MoneySpot Finance, ahead of all present and future unsubordinated and unsecured debt obligations of MoneySpot Finance and ahead of all shares; and
3. equally with other notes issued to noteholders.

ii) Interest accrues daily at the applicable coupon rate and must be paid monthly in arrears.

iii) On the maturity date for each note, MoneySpot Finance is obliged to repay the amount redeemed by Investors plus any outstanding interest.

An event of default occurs if:

1. MoneySpot Finance does not pay the whole or any part of the moneys owing to the noteholder when due;
  2. an external administrator is appointed to MoneySpot Finance or any of its assets; or
  3. an order is made for the winding up of MoneySpot Finance.
- iv) After an event of default, the Fund as the noteholder may declare the moneys owing payable. If so, the moneys owing becomes immediately payable by MoneySpot Finance to the Fund.
- v) Noteholders (such as the Fund) have no rights to receive notices of or to attend general meetings of MoneySpot Finance nor vote at general meetings, except as provided by the Corporations Act.

Under the general security deed, MoneySpot Finance has granted a security interest over all its present and after acquired property other than land to the Custodian (on behalf of the Fund). If an event of default occurs, such as a failure of MoneySpot Finance to pay interest it is obliged to pay to noteholders such as the Fund, then the Custodian may take certain actions to enforce the debt, including the appointment of receivers to MoneySpot Finance.

The Fund's investment in other Credit Providers are expected to be on similar terms to the Fund's investment in unsecured notes issued by MoneySpot Finance as described above however differences may apply due to the nature of the notes issued and the jurisdiction of the Credit Provider.

## **7.7 Investors' liability**

The Constitution seeks to limit the liability of Investors to the amount of their investment plus other moneys payable to us or the Fund pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that Investors' liability will be limited in a manner discussed above.

## **7.8 Indemnity for the RE**

To the extent permitted by the Corporations Act and the law, we, as responsible entity, are indemnified out of the Fund against any claim, action, damage, loss, liability, cost, expense or payment which we incur or are liable for, provided that it does not arise from our fraud, negligence or breach of trust.

## **7.9 Updated information**

Where there is a change to information which is not material to Investors this updated information will be made available on our website at [invest.moneyspot.com.au/updatedinfo.htm](http://invest.moneyspot.com.au/updatedinfo.htm) (Updated Information). If you require a paper copy of any Updated Information, please contact us on 1300 048 156 and it will be provided without charge on request.

While this PDS and any Updated Information are up to date at the time of preparation, changes may be made to the Fund from time to time. Investors should ensure that they keep up to date with the latest information on the Fund. To obtain this information either:

- a) visit our website at [invest.moneyspot.com.au](http://invest.moneyspot.com.au); or
- b) call us on 1300 048 156.

A paper copy of the most recent information will be sent to you free of charge on request.

## **7.10 Disclosing entity**

The Fund has more than 100 Investors the Fund it is subject to regular reporting and disclosure obligations under the Corporations Act as a disclosing entity.

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from us free of charge or obtained from, or inspected at, an ASIC office. These documents include:

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

The Fund will meet its continuous disclosure obligations by publishing material information on our website at <https://invest.moneyspot.com.au>. Accordingly, given the disclosure of material information will be made on our website, we will not be required to lodge continuous disclosure notices for the Fund with ASIC.

### **7.11 Electronic PDS**

This PDS is available in electronic form at [invest.moneyspot.com.au](https://invest.moneyspot.com.au). We will send, on request, any person receiving this PDS electronically, a paper copy of the PDS (and an Application Form) free of charge during the period of the Offer.

We will not accept a completed Application Form if we have reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS, or if we have reason to believe that the Application Form or electronic copy of the PDS has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the period of the Offer the electronic version of this PDS will be tampered with or altered in any way, we cannot give any absolute assurance that this will not occur. If you are in doubt about the validity or integrity of an electronic copy of the PDS you should immediately request a copy of the PDS directly from us or your adviser.

### **7.12 Declarations and consents**

We are the issuer of this PDS. Except as expressly set out below, each of Mazars Audit (Qld) Pty Limited, as the auditor of the Fund, One Managed Investments Funds Limited, as the custodian of the Fund, Unity Fund Services Pty Ltd, as the administrator for the Fund and PMC Legal as legal advisors to the Fund:

- a) have not authorised or caused the issue of this PDS;
- b) have not made, nor purported to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by them;
- c) expressly disclaim and take no responsibility for any part of this PDS other than the references to their names;
- d) does not guarantee the repayment of capital or any particular rate of capital or income return, including the target net return rates;
- e) have not withdrawn their written consent to be named in this PDS in the form and context in which they are named; or
- f) have not withdrawn their written consent to the inclusion in this PDS of the information in this section in the form and context in which it is included.

### **7.13 Directors' authorisation**

Each of the Directors has consented to, and authorised, the issue of this PDS.

## 8. GLOSSARY

<b>Administrator</b>	Unity Fund Services Pty Ltd ACN 146 747 122;
<b>ACL</b>	Australian credit licence;
<b>AFS licence</b>	an Australian financial services licence issued by ASIC;
<b>Application Form</b>	the application form available at <a href="http://invest.moneyspot.com.au">invest.moneyspot.com.au</a> ;
<b>Application Money</b>	the money payable by an applicant on submitting the Application Form;
<b>Application Price</b>	\$1.00 for a Unit in each Unit Class;
<b>ASIC</b>	the Australian Securities and Investments Commission;
<b>ATO</b>	Australian Taxation Office;
<b>Board</b>	the RE's board of directors;
<b>Borrower</b>	means a recipient of short term funding by a Credit Provider;
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in Sydney, New South Wales;
<b>Compliance Committee</b>	the committee established by the RE in accordance with the Corporations Act, as described in section 2.4(c);
<b>Compliance Plan</b>	the compliance plan for the Fund;
<b>Constitution</b>	the constitution for the Fund;
<b>Corporations Act</b>	the Corporations Act 2001 (Cth);
<b>Credit Providers</b>	is explained in 2.5;
<b>CRS</b>	means Common Reporting Standard;
<b>Custodian or OMIFL</b>	One Managed Investment Funds Limited ABN 47 117 400 987;
<b>Custodian Agreement</b>	the agreement pursuant to which the RE has appointed the Custodian to act as custodian in relation to the Fund;
<b>Directors</b>	the directors of the RE, from time to time;
<b>FATCA</b>	U.S. Foreign Account Tax Compliance Act;
<b>Fund</b>	MoneySpot Investment Fund ARSN 616 929 849;
<b>Indirect Investor</b>	an investor that invests in the Fund through a Platform;
<b>Investor</b>	a member of the Fund;
<b>IRS</b>	US Internal Revenue Service;
<b>MACCs</b>	medium amount credit contracts;
<b>MoneySpot</b>	the RE;
<b>Offer</b>	the offer of Units made in this PDS;



<b>PDS</b>	this product disclosure statement;
<b>Platform</b>	an investor-directed portfolio service, wrap account, master trust or portfolio administration service;
<b>Platform Operator</b>	the operator of a Platform;
<b>RE, responsible entity, us, our and we</b>	MSI Funds Management Limited ACN 614 077 995; AFSL 491 268 (formerly MoneySpot Investments Limited)
<b>SACCs</b>	small amount credit contracts;
<b>MoneySpot Finance</b>	MoneySpot Finance Pty Ltd ACN 166 488 197 (formerly Speedymoney Pty Ltd); Australian Credit Licence no. 450 305
<b>Unit</b>	a unit in the Fund;
<b>Unit Class</b>	a class of Units in the Fund;
<b>Updated Information</b>	is explained in section 7.9;
<b>Wholesale Client</b>	has the meaning given in sections 761G and 761GA of the Corporations Act;
<b>Withdrawal Price</b>	the price at which Units are redeemed. The withdrawal price for a Unit is calculated by dividing the net asset value of the assets attributable to the Unit Class by the number of Units on issue in the Unit Class. The withdrawal price rises and falls with changes in the value of the underlying assets held in the Fund and attributable to the Unit Class. There is no buy/sell spread included in the Withdrawal Price;
<b>you and your</b>	a person who subscribes for and is issued a Unit.

## 9. HOW TO INVEST AND APPLICATION FORM

### 9.1 Complete Application Form

Investors may apply for Units in the Fund by completing and returning the Application Form available in electronic form at <https://invest.moneyspot.com.au>. Individual and Individual Trustees can apply completely electronically from our website and other account types can lodge verification documents online. Alternatively, a paper copy can be requested by contacting us on 1300 048 156.

### 9.2 Customer identification requirements

All applications for Units must be accompanied by the appropriate AML/CTF information ("AML Forms") and supporting documents required by the AML/CTF Act. If you are:

- a) investing through a financial adviser, they will provide you with the necessary forms and help you to complete them; or
- b) not investing through a dealer, Platform Operator or other financial adviser (or if you are investing through a financial adviser who is not authorised as an agent of the RE for AML/CTF Act purposes) you must provide the RE with appropriate identification material through providing the relevant AML/CTF information set out in the MoneySpot Managed Funds AML/CTF Checklist form available on our website or by contacting us on 1300 048 156 and forwarding it to the RE together with certified copies of any supporting documents required. This will enable the RE to properly identify you and meet the requirements of the legislation.

In accordance with the AML/CTF Act, we are required to identify, and verify the identity of, Investors. In order to do this, we must collect certain information from Investors relating to their identity and the source of their funds. We must then verify this information by citing certain verifying documentation. If you do not provide us with this information, we may not be able to process your application.

### 9.3 Return completed Application Form

Applications to invest in the Fund can only be accepted if a completed Application Form is lodged with an accompanying cheque or electronic funds transfer for the amount of the investment (refer to section 9.4).

Each page of the Application Form must be completed and sent, along with your payment, to us at the address below.

MSI Funds Management Limited

Level 1, 7-11 Little Buckingham St

Surry Hills NSW 2010

Care should be taken to ensure you provide, on the Application Form, your:

- a) residential address (or registered address in the case of a company or trustee Investor); and
- b) tax file number (TFN) or Australian Business Number (ABN).

We will reject an application where a satisfactory address is not provided on the Application Form.

## 9.4 Payments

You can forward your Application Money by cheque or electronic transfer. If you (or your agent) use electronic funds transfer, then you must notify us (refer to “Identifying your Application Money” below).

Cheques must be made payable to “One Managed Investments Fund Limited ACF MoneySpot Application Account”. Payments are to be made in Australian dollars.

For electronic transfer, the bank account details are:

Account name:	MSI Funds Client Segregated Funds Account
Bank	Commonwealth Bank
BSB	062-258
Account number	11078730

## 9.5 Identifying your Application Money

If you (or your agent) forward Application Money to us by electronic funds transfer, you will need to advise us prior to the processing cut-off time so that we can identify your money. If your money has not been receipted or identified by our bank or us, then we cannot process your application.

Any money received by electronic funds transfer without being separately advised to the RE may be rejected and returned to the paying financial institution.

Any fees charged by a financial institution, in relation to identifying or rejecting money, will be passed on to the Investor or deducted from the Application Money.

If a cheque or electronic deposit dishonours subsequent to Units being issued, those Units are deemed not to have been created.

### WARNING

#### Electronic instructions

Investors who use electronic means to provide instructions (e.g. applications and redemptions) to us do so at their own risk. We will not take any responsibility for not receiving a request, despite any electronically generated confirmation an Investor may have. Electronic communication is inherently unreliable and confirmation of physical receipt by us should be verbally sought by phoning 1300 048 156.

In sending any electronic instruction, the Investor releases us from, and indemnifies us against, any loss or liability arising as a result of processing an instruction that bears the Investor’s account number and a signature apparently that of the Investor or authorised signatory on the account.

## **9.6 Interest on application monies**

Until Units are issued, Application Monies will be held on trust in the bank account detailed in section 9.4. The account will be established and kept for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act. Any interest accrued on Application Monies will not be returned to Investors where Units are not allotted and where the Units allotted are less than the number of Units applied for.

## **9.7 Allocation and allotment of Units**

Allotment of Units will be made as soon as practicable after an application has been processed. The RE reserves the right to allot Units in full for any Application or to allot any lesser number and to decline any Application Form received.

Where the number of Units allotted is less than the number applied for, the surplus Application Monies will be returned by cheque within 14 days. Where no allotment is made, the amount tendered on application with the relevant Application Form will be returned in full by cheque within 14 days.

## **9.8 Foreign persons**

By lodging an Application Form the applicant is taken to confirm that they are not a “foreign person” within the meaning of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) or under the age of 18 at the time of the application. If the Applicant is a foreign person they should complete the non-resident section of the Application Form. This may mean the application will be rejected, depending on the applicant’s interest in the Fund and the application of FATA.

## 10. CORPORATE DIRECTORY

### Responsible entity

MSI Funds Management Limited ACN 614 077 995

Level 1, 7-11 Little Buckingham St

Surry Hills NSW 2010

T: 1300 048 156

E: [info@invest.moneyspot.com.au](mailto:info@invest.moneyspot.com.au)

W: [invest.moneyspot.com.au](http://invest.moneyspot.com.au)

### Auditor

Mazars Audit (Qld) Pty Limited

Level 11, 307 Queen Street

Brisbane QLD 4000

### Custodian

One Managed Investment Funds Limited ACN 117 400 987

Level 11

20 Hunter Street

Sydney NSW 2000

### Lawyers

PMC Legal

T: +61 2 8556 7560

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### Registrar

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Sydney NSW 2000

T: +61 2 8188 1510