



SELECTOR SMALL COMPANIES FUND

INFORMATION MEMORANDUM

Issue date: 08 May 2026

Issued by Selector Funds Management Limited ABN 85 102 756 347 | AFSL 225316

IMPORTANT NOTICE TO INVESTORS

The Selector Small Companies Fund Information Memorandum (IM) is issued by Selector Funds Management Limited, ABN 85 102 756 347, AFSL 225316. You should not invest in the Selector Small Companies Fund (the Fund) unless you have read this IM in its entirety.

All amounts in this IM are given in, and historical returns are based upon, Australian dollars. References to "SFML", "Selector", "We", "Investment Manager" or "Manager" are to Selector Funds Management Limited in its capacity as investment manager and trustee of the Fund. References to "you" or "your" are to investors in the Fund.

The information contained in this IM is general information only. This IM has not been prepared taking into account any particular investor or class of investors' investment objectives, financial situation or needs. Before you invest, you should assess and consider whether the information in this IM is appropriate for you in light of your individual objectives, financial situation or needs. To obtain advice or more information about the product offered in this IM, you should speak to an Australian financial services licensee or authorised representative.

An investment in the Fund is not a deposit with or other liability of Selector. Investing in the Fund is not without risk (refer to section 3), including possible delays in redemption and loss of income and capital invested. Selector makes neither guarantees nor any representations as to the performance of the Fund, the maintenance or repayment of capital, the price at which units may be issued or any particular rate of return.

The information in this IM is up to date at the time of preparation. However, some information can change from time to time. If a change is considered materially adverse we will issue a supplementary or replacement IM. For updated or other information about the Fund that is not materially adverse (such as performance), please consult your Financial Advisor, call us, or contact us via email at admin@selectorfund.com.au. A paper copy of any updated information is available free of charge on request.

If you are printing a copy of this IM you must print all pages. If you make this IM available to another person, you must give them the entire electronic file or printout, including the Application Form. A paper copy of this IM (and any supplementary documents) can also be obtained free of charge on request by contacting your Financial Advisor, Selector or the Fund Administrator, Apex Fund Services Pty Ltd.

The offer of units under this IM does not constitute an offer in any jurisdiction other than Australia. This IM is not an offer to any person or an offer in any place, to which or in which, it is unlawful to make such an offer.

The offer or invitation to subscribe for units in the Fund under this IM is only available to persons receiving this IM (electronically or otherwise) in Australia and is subject to the terms and conditions described in this IM.

We strongly recommend that you seek the services of a licensed Financial Advisor and tax advisor prior to investing in the Fund.

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THE FUND QUICK REFERENCE

To find information on the topics listed below, see the page number listed. You should read the IM in its entirety and seek any advice you need before deciding to invest.

APIR Code

SEL5902AU

Fund description

The Fund uses a common-sense, bottom-up approach to stock selection to construct a concentrated portfolio of Australian listed companies, which Selector believes will deliver long-term real earnings per share growth. The Fund is benchmark agnostic.

Investment Manager of the Fund

Selector Funds Management Limited (Selector)

Issuer of the Fund

Selector Funds Management Limited

Nature of offer

One class of units is offered under this IM - Wholesale units

Investment minimums	Wholesale units	Refer page
Minimum initial investment	\$100,000	8
Minimum additional investment	\$50,000	8
Minimum balance	\$100,000	
Minimum redemption	\$100,000	10

Fund fees

Establishment fee	Nil	12
Contribution fee	Nil	12
Redemption fee	Nil	12
Manager's fee	1.25% p.a.	12
Performance fee	The Manager charges a performance fee of 20% of the Fund's outperformance of the benchmark	12
Buy-sell spread	+0.25% included in the Application Price calculation -0.25% included in the Redemption Price calculation	9

Fund features

Unit pricing	Unit prices are calculated at each business day. Applications and redemptions are processed each business day. Redemption payments will generally be made within 14 business days after processing your request.	9
Distributions	Annually, payable into an account with a financial institution or reinvested in additional units	10
Tax	Normal unit trust tax treatment	11

Key benefits of investing in the Fund

Benefits	<ul style="list-style-type: none">— Consistent and repeatable bottom-up stock selection— Superior long-term returns based on the concentrated investment approach	7
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Key risks of investing in the Fund

Risks	<ul style="list-style-type: none">— Investment manager risk— Market risk— Asset risk— Concentration risk— Regulatory risk	8
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Investment confirmation	— After each investment	10
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Investor value report	— Monthly	10
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How to invest

To invest in the fund, complete an online application via the Apex Application Portal (<https://selector-v1.apexgroupportal.com/apply/wholesale>)

1. ABOUT SELECTOR – THE INVESTMENT MANAGER

1.1 Role of Investment Manager

The role of the Investment Manager is to make investments on behalf of the Fund in a considered, structured approach and in a manner consistent with achieving the performance objectives of the Fund while operating the Fund in accordance with the Constitution.

1.2 Selector

Selector was established as an independent fund manager in 2003. Since then, Selector has maintained a consistent investment process, stable team and track record of performance for our clients. Selector has an experienced team led, since inception, by portfolio managers Tony Scenna and Corey Vincent. Selector is 77% owned by the management team who invest alongside clients in the Fund.

1.3 People

Tony Scenna *Founding Director & Portfolio Manager*

Tony Scenna is a Founder, Portfolio Manager, Director, major shareholder of Selector and an investor in the Fund. Tony has over 40 years of continuous funds management experience. In 1988 Tony was a founder of Harper Bernays Limited and was the Managing Director from 1994 to April 2002. Prior to this Tony spent five years as an Investment Analyst and then Portfolio Manager at Perpetual Trustees Australia Limited with joint responsibility for the Perpetual Industrial Share Fund, Perpetual's flagship product. Tony has a Bachelor of Economics from the University of Sydney.

Corey Vincent *Founding Director & Portfolio Manager*

Corey Vincent is a Founder, Portfolio Manager, Director, major shareholder of Selector and an investor in the Fund. Corey has over 30 years' experience in financial markets as an Analyst and Portfolio Manager and in sell side stockbroking. Corey was the founding Chairman of VBM Capital Limited from 2001- 2006. Corey was an Affiliate of the Australian Stock Exchange, an Affiliate of the NSX, and a Fellow of the Australian Institute of Company Directors. Corey studied Science at the University of Sydney for four years, has a Diploma of Financial Advising (FINSIA), and an MBA awarded with Distinction from Edinburgh Business School. Corey is also Chairman of the board.

George Giovas *Executive Director*

George is a Director, a major shareholder and is a member of the Compliance Risk Management committee. He is also an investor in the Fund. A career senior banker and funds management executive, George is a co-founder of Axius Partners, a diversified capital raising and advisory business. George has over 35 years' experience in Banking & Finance, Real Estate and Funds Management. He is an experienced senior leader with a history of successfully building teams and businesses. George has held Executive positions at ANZ Bank over a 24-year career across business divisions and client industry sectors. George held a number of roles, covering risk management, asset management, capital markets, relationship management and industry strategy. In his last role as Global Head of Property he was responsible for the bank's real estate and construction finance business a key component of the Bank's Institutional division. He a Director and Treasurer of The Hellenic Initiative (Australia). George has a Master of Commerce (Professional Accounting) from UNSW and a Bachelor degree in Commerce (Economics & Industrial Relations) from University of Wollongong. He is a Fellow of the Financial Services Institute of Australia (FINSIA).

John Maragiannis *Executive Director*

John Maragiannis is a Director and major shareholder of Selector. John is also an investor in the Fund. John has over 35 years of industry experience with leading international and Australian funds management firms. John worked in senior roles with Credit Suisse, Schroders, Credit Agricole and Zurich Scudder. John also worked at National Mutual and at AMP. John has a Bachelor of Commerce, University of Wollongong and Masters of Commerce, UNSW. John is a co-founder of Axius Partners which specialises in Funds Management Advisory and Incubation, Third Party Distribution services and Capital Advisory.

Kari Humphrey *Deputy Portfolio Manager & Head of ESG | Portfolio Manager of Small Companies Fund*

Kari has over 25 years' experience in finance, accounting and administration; 14 of which were spent working as the Chief Financial Officer for a medium sized retail business. Kari has a Bachelor of Commerce and Master of Accounting (Professional) from Macquarie University. Kari is the Chair of the Selector Investment Committee and an investor in the Fund.

Harry Mentis-Bullock *Deputy Portfolio Manager | Portfolio Manager of Small Companies Fund*

Harry Mentis-Bullock has seven years of experience in funds management and is an investor in the Fund. Harry has a degree in a Bachelor of Business, majoring in Finance and Economics at the University of Technology Sydney and a Mini-MBA in BioPharma Innovation from Rutgers Business School.

1.4 Investment strategy

As a good business evolves into a great business its underlying real earnings per share (EPS) grows. Selector aims to capture as much of this earnings growth as possible over time, since it is real earnings growth that translates into share price appreciation.

Our best ideas form a concentrated portfolio of Australian businesses. The portfolio will generally consist of 15 – 35 investments. As such, individual investments may initially represent up to 4% of the total investment portfolio. If selected correctly, individual stocks in a concentrated portfolio will have a meaningful impact on performance and may grow beyond the initial 4% level to a limit of 10%.

Selector is benchmark agnostic. In essence, we are backing our consistent investment process rather than benchmarking against an index. Selector believes that indexing limits returns to investors over the long run. Our long-term investment horizon aims to capture real EPS growth.

Selector invests in Australian equities, and does not use leverage or derivatives. Experience has taught us that these simple constraints, when combined with hard risk limits, provide significant protection to the portfolio with limited impact on the performance of the Fund.

The following section provides an overview of the stock selection process, detailed research process and portfolio risk constraints.

1.5 Stock selection

The stock selection process is based on a consistent and repeatable framework. The foundation for this common-sense approach is the considerable industry experience of our portfolio managers. The stock selection process is termed “bottom- up investing”, as we focus on the business first, ensuring that investments are selected based on their individual merit. The portfolio is built stock by stock as each business is subjected to our rigorous stock selection process.

We seek businesses with leadership qualities, run by competent management teams, underpinned by strong balance sheets with a focus on capital management.

Common sense investing

Management

We seek honest, competent leadership. We expect high standards of corporate governance from the board and management, with these qualities reflected in the culture of a business.

Business

We seek businesses with uniqueness, including demonstration of leadership within their chosen fields. This requires sustainable levels of re-investment maintained ahead of the curve.

Balance Sheet

We prefer a strong balance sheet. This is our “get out of jail card” if things go wrong in a business.

Capital Management

We seek businesses that can grow organically, demonstrate strong cashflows and real EPS growth over the long term. Ultimately, this drives higher dividends per share.

Detailed qualitative research

The portfolio managers undertake detailed qualitative research on each business on the shortlist. This starts with researching the business, its industry, channel checks of the competitive landscape and importantly management interviews. This is where the experience of our portfolio managers becomes our key advantage. The portfolio managers are continuously engaged in an ongoing program of domestic and international company visits.

Detailed quantitative research

A financial model is developed for each business on the shortlist. No information is dumped into the model. The income statement, balance sheet, and cash flow items are inputted individually by the portfolio managers and over 50 financial ratios are calculated. The portfolio managers are seeking to analyse long-term trends through this financial modelling.

Portfolio construction

As a result of detailed research on the ideas shortlist, a portfolio of circa 15 to 35 businesses is developed. Portfolio weighting is based on a ranking of our best ideas. This ranking is based on the following process:

1. BUYOUT valuation assessed. Buyout valuation is calculated as follows, where EBITA is earnings before interest, taxes and amortisation.

$$\text{Buyout} = \frac{\text{EBITA}}{\text{Enterprise value}}$$

Return generated if we were to “buy out” entire debt and equity.

We compare this to a risk-free rate to determine the premium we are getting for equity risk.

2. Roadmap - the 18 point qualitative and quantitative factors of business

Qualitative

<i>Management Qualities</i>	<i>Owner Qualities</i>	<i>Focus</i>
Individuals we can trust	Material equity holding	Niche or franchise
Drive to take business forward	Common bond shareholder	Adapt to business conditions
Clear articulation of business strategy	Track record Incl. ESG	Not react to market pressure

Quantitative

<i>Growth</i>	<i>Business Franchise</i>	<i>Balance Sheet</i>
Reinvesting in business	Businesses we understand	Low debt levels
Capacity to grow EPS	Well positioned in industry Incl. ESG	Simple structure
Free cash flow	Return on Capital Employed (ROCE)	Maintenance capital expenditure

3. Implicit ranking of new ideas against existing portfolio

Portfolio construction relies on the extensive experience of the portfolio managers. Here, it is important to note that, it is our portfolio managers, rather than investment analysts, who have undertaken the detailed research ensuring that high quality information is transmitted through the entire investment process. The portfolio is subjected to risk constraints outlined in section 1.6.

1.6 Portfolio risk constraints

The portfolio management process is a risk out process.

Selector seeks businesses with leadership qualities, run by competent management teams, underpinned by strong balance sheets with a focus on capital management.

In addition, risk constraints have been established to ensure this is adhered to consistently.

Selector aims to maintain a high level of portfolio liquidity and seeks to limit the individual stock concentration of the portfolio.

Portfolio risk constraints include:

<i>Constraint</i>	<i>Minimum</i>	<i>Maximum</i>
Individual stock	0%	10%
Cash	0%	10%

2. DESCRIPTION OF THE FUND

2.1 Fund overview

Investment objective

The Fund's objective is to deliver superior long-term investment performance to investors. This is achieved through detailed research and stock selection driven by an experienced team who invest in a concentrated portfolio of securities that can deliver an above average return over time.

Benchmark

The Fund is benchmark agnostic. This means the Fund may hold significant positions in securities that do not form part of any particular index due to market capitalisation or other index considerations. The Fund is not constrained by tracking an index or using an industry benchmark. Consequently, Selector is not distracted by a short-term focus on quarterly or periodic returns.

For the purposes of calculating any performance fees payable to Selector (refer to section 5.2) the benchmark used is the S&P/ASX Small Ordinaries Accumulation Index.

Risk & return positioning

Decisions about stock selection within the Fund are determined by applying a fundamental, bottom-up, analytical process (refer to section 1.5). By adopting this approach Selector aims to achieve superior long-term returns. However, this Fund may have a higher volatility than one which simply invests passively in the stocks which constitute the benchmark and are in the same proportions as the benchmark.

Return characteristics

It is expected that the Fund will generate returns to investors largely from capital appreciation rather than from income sources such as dividends and distributions. Income from dividends and distributions may also have franking credits attached to them.

Eligible investors

This Fund is geared toward professional investors (being investors who are wholesale clients) who are aiming to achieve superior returns over the long term. Investors must also be prepared to accommodate a higher level of volatility, inherent with the active management approach and the concentrated portfolio of securities. This Fund will not accept retail applications.

Suggested duration of investment

Investors should consider the investment as being long term (7+ years) in nature.

Performance

Past performance is not indicative of future performance. Updated performance information can be obtained by contacting the Manager.

Benefits

The Fund offers the opportunity to access a managed portfolio with the following benefits:

- Consistent and repeatable bottom-up stock selection
- Superior long-term returns based on the concentrated investment approach.

Risks

Investors should consider the risks of investing in the Fund. The risks of investing are set out in section 3.

Unit pricing

Unit prices are calculated each business day.

Distributions

Paid annually by the third week of July each year.

Date of commencement

1 August 2022.

2.2 Structure

The Fund is an unlisted wholesale unit trust available to professional investors (being investors who are wholesale clients). The Fund is managed by Selector Funds Management Limited ABN 85 102 756 347, AFSL 225316, which was established in 2003. One class of units is offered under this IM – Wholesale units. Selector may also create and offer other classes of units which may have different rights and restrictions to the units offered under this IM.

3. RISKS OF INVESTING

In considering an investment in the Fund, investors should carefully consider the various types of risk which have the potential to influence the performance of the Fund and hence the value of the investment undertaken.

The following summarises a number of the risks associated with investing in the Fund.

3.1 Investment manager risk

The performance of the Fund will depend on the expertise and quality of investment decisions made by Selector as the Investment Manager. The past performance of Selector is not necessarily an indicator of future performance.

3.2 Market risk

A number of external factors such as changes in the economic, political, technical or social environment can have significant influence on the market for a particular asset class (e.g. equities). These influences may produce changes in the value of markets and the investments which comprise them, which are outside the influence of an investment manager. Such influences may also affect markets in different assets (e.g. equities vs. fixed interest) in different ways.

3.3 Asset risk

Each asset class is subject to its own particular array of risks. Equities (shares) are subject to the business risks facing each corporate entity underlying the securities (e.g. competitive influences, management ability, debt obligation costs and margin pressures, technological change etc), and to the varying sector risks in which these entities belong (e.g. industrial vs. mining). As a result, share prices may fall, and dividends or other forms of income may reduce.

3.4 Concentration risk

The risk associated with any fund that concentrates its investments in a small number of securities. The value of the Fund may be more volatile than the value of a more diversified fund because a concentrated fund's value is affected to a greater extent by the performance of those particular assets.

3.5 Regulatory risk

There is a risk that government policy in relation to economic, investment and taxation matters in countries in which investments are made (including Australia) may be altered, affecting the value of those investments.

4. INVESTOR INFORMATION

4.1 Eligible investors

To be eligible to invest in the Fund, investors must be wholesale clients. If an investor wishes to invest less than \$100,000 in the Fund, and Selector approves such request, the investor must be certified by an accountant as having net assets of at least \$2.5 million or a gross income of at least \$250,000 per annum for the last 2 financial years (or otherwise demonstrate they are a wholesale client to our satisfaction). Eligible investors must also fall into at least one of the following categories:

- Individuals (either singularly or jointly) over 18 years of age
- Companies
- Trustees and trustee companies
- Partnerships
- Superannuation funds (including self-managed superannuation funds)

4.2 Initial and additional investment

How to invest

Initial applications to invest can be made by submitting a completed Application Form with an electronic transfer of application monies (refer to “Payment” below). Alternatively an online initial application may be made via the Apex Application Portal <https://selector-v1.apexgroupportal.com/apply/wholesale>.

Each page of the Application Form must be completed in full and MUST be sent to the administrator at the address below.

Apex Fund Services Pty Ltd
Attention Unit Registry
GPO Box 4968
Sydney NSW 2001

An electronic copy of your Application Form and supporting identification document can be emailed to registry@apexgroup.com to initiate the account opening, however the account opening and issue of units WILL NOT be finalised until the original documents have been received by Apex.

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

- residential address (or registered address in the case of a company or trustee investor), and
- Tax File Number (TFN) or Australian Business Number (ABN).

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

For further information, refer to the “Guide to completing this form” section of the Application Form.

Initial investment

The minimum initial investment is \$100,000.

Additional investments

If you already hold units in the Fund, you can make an additional application in the Fund by completing an Additional Application Form or via the online Apex Portal <https://selector-v1.apexgroupportal.com> or via BPAY code 435784 and your unique 12-digit Client Reference Number. The minimum additional investment is \$50,000. If using the Additional Application Form, you will need to reference your investor number, and clearly state your investment amount.

Change of account details

Once invested in the Fund, investors can change their details by notifying the Administrator by mail, email, or the online Investor Portal <https://selector-v1.apexgroupportal.com>.

The written request must include the investor’s:

- account name;
- account number;
- authorised signature(s); and
- the details which are being changed (for example, change of address, bank account details, distribution nomination, Financial Advisor 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 the Administrator with a signed written request.

Investors may also register with the administrator to access their account via the administrator's online Investor Portal <https://selector-v1.apexgroupportal.com>. Portal access allows investors to access historic transaction or tax statements, make additional applications, and make most changes to account details, although changes of bank account details and full redemptions must still be sent in writing to the administrator and may require additional security checks.

4.3 Issue of units and unit pricing

Issue of units

All unit pricing, administration and registry services are provided by specialist fund administrator Apex Fund Services Pty Ltd.

If the Administrator receives, identifies and accepts your correctly completed Application Form and Application Money by 2pm (AEST) on any business day the units will be issued as at that business day. The unit price applicable will be that which reflects the market value of the Fund at the close of business on that day.

An investor will be issued with a number of units determined by dividing the amount of the Application Money by the Application Price of units (see "Unit pricing" below).

Applications receipted, identified and accepted by us after the processing cut-off time (but before the next processing cut-off time) will be processed using the unit price which reflects the market value of the Fund on the following business day.

Unit pricing

The unit price of each class is calculated by dividing the net asset value of the Fund allocated to that class by the number of units on issue in the class. The Application Price is determined by adding the buy costs. The Redemption Price is obtained by deducting the sell costs. Refer to "Buy-sell spreads" below for more information.

Generally, the net asset value of the Fund is determined each business day. It is calculated by taking the market value of the Fund's assets and deducting the value of its liabilities.

The net asset value of investments in the Fund includes not only the value of unrealised gains, but also any income and realised gains accrued and not yet distributed. It includes all trades notified to the custodian by the close of each business day.

Buy-sell spreads

The buy-sell spread is the difference between the Application Price and Redemption Price of units. The buy-sell spread represents the transaction costs involved in making, or redeeming from, an investment. Transaction costs include brokerage, stamp duty and other taxes or charges incurred in buying or selling the underlying assets within the Fund.

The buy-sell spread is not a management fee. It applies only to those investors entering or exiting the Fund, who pay the transaction costs incurred as these transactions occur. Existing investors not undertaking transactions are not affected by the buy-sell spread.

Current buy-sell spreads are contained in section 5.2 (Additional explanation of fees and costs).

4.4 Transferring investments

Unit transfer

Investors may transfer units in the Fund to any other person. However, the Manager has the discretion to refuse transfers of units without giving any reasons for this refusal. The transferee investor must be a wholesale client and be able to provide evidence of this if requested by the Manager.

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

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

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.

4.5 Redemptions

Investors may redeem units by sending the Administrator a request in writing. The request should state the:

- investor name;
- investor number;
- Fund name;
- redemption amount (or state account closure if applicable); and
- should be signed by the investor(s) or authorised signatories.

Alternately, redemption forms can be obtained by contacting the Administrator on 1300 133 451 or +61 2 8259 8888 or via registry@apexgroup.com.

The minimum redemption amount is \$100,000.

Redemption requests should be sent to the Fund Administrator: Apex Fund Services Pty Ltd

Attention Unit Registry
GPO Box 4968
Sydney NSW 2001

Investors with access to the online Investor Portal <https://selector-v1.apexgroupportal.com> may also make partial redemption requests via the portal. Full redemption requests must still be made in writing as per above.

If you send a redemption request and request remittance of an amount to a financial institution whose account details are different to those which the Administrator has on file for your account, then your redemption will not be processed until a Change of Details Form is received (in accordance with processing cut-off times).

Please note that the redemption request must be receipted at the Administrator's offices to be considered for processing. The Manager and/or Administrator are not responsible for any postal or service delivery delay or failure.

The Fund's processing cut-off time for redemptions is 2pm (AEST) each business day.

If your redemption request is received at the Administrator's offices prior to the processing cut-off time, and your request bears the correct investor details and authorised signature/s you will generally receive the redemption price calculated for that business day.

The proceeds of your redemption are normally available within 14 business days thereafter and can be deposited into a nominated Australian resident bank, building society or credit union account.

Please note that the Manager's policy is not to make payments to third parties and the nominated Australian resident bank, building society or credit union account you advise must be in the investor's name.

There are no exit fees payables on redemption however any government charges payable will be deducted from the redemption proceeds.

4.6 Distributions

Distributions from the Fund will be made on an annual basis. There may also be times when no distribution is paid. The Manager may also elect to make special distributions from time to time, where the Manager deems it appropriate.

A distribution is a payment of the Fund's taxable income and may include interest, company dividends, foreign income, realised net capital gains and other income. The components of the distribution will vary from period to period. Distributions from the Fund are not pro-rated for the duration of the investment during the tax year.

Investors can choose to have distributions:

- reinvested in additional units in the Fund, or
- paid in cash.

Distributions will be automatically reinvested in additional units in the Fund on the next business day after the end of the distribution period, unless an investor elects by notice in writing to the Manager to receive a cash distribution. Please tick the relevant box on the Application Form if you wish to receive your distributions in cash.

Cash distributions will only be paid to an Australian resident bank, building society or credit union account. The account nominated by the investor must be in the name of the investor, as it is the Manager's 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 on the next business day after receipt of the notice of rejection from the financial institution.

Investors will need to advise the Administrator 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 the Administrator no later than five business days prior to the last day of the financial year.

4.7 Investor Reports

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

- Investment confirmation advice, indicating your investment in the Fund, the Application Price(s) and number and class of units issued (generally sent within 5 business days of the acceptance of the application).
- Redemption confirmation advice, providing details of unit redemptions and Redemption Prices (generally sent within 5 business days of the redemption request being processed).
- A Monthly and Quarterly Investment report providing Fund performance, and unit prices (generally sent within 20 business days of the end of the quarter).
- A Monthly and Annual investor value report indicating individual transactions undertaken, and unit values (generally sent by the end of August each year).
- Distribution statement, detailing the amount of the distribution and disbursement details (generally sent by the end of August each year).
- Annual taxation statement, detailing all relevant taxation information required for investor taxation returns (generally sent by the end of August each year).

Historical and current information including unit prices and return information, is available by contacting the Manager at info@selectorfund.com.au.

4.8 Taxation and Social Security

Taxation

There are taxation implications that arise from investing in the Fund. The following information is intended as a broad overview of the current legislation only.

Investors' tax liabilities are dependent on their individual circumstances. Therefore, it is recommended that professional advice on the taxation implications of investing in the Fund be sought before any such investment is made.

Under existing income tax legislation, the Fund will not generally be liable for tax because of the Manager's policy of distributing all net taxable income of the Fund to investors. Income distributed to Australian resident investors will generally be assessable and should be included in the investors' income tax returns in the financial year when entitlement to that income arises (even if distributions are reinvested or received in another period). The Fund will also distribute any capital gains, imputation credits and foreign tax credits received. These will also need to be included in investors' income tax returns. The extent to which these credits can be used is dependent on the individual investor's circumstances.

Disposal of units in the Fund may give rise to a capital gains tax liability or a capital loss. Some investors may be entitled to a capital gains tax discount if units are held for more than 12 months. The unit price between distribution dates reflects the return, including income, which has accrued during the period between distributions. When a distribution is made, the unit price will normally fall by the amount of that distribution. As a consequence, if an investment is made shortly before the end of a distribution period, the subsequent distribution that the investor receives may comprise taxable income of the investor, while the value of the unit price paid by the investor would fall by an amount similar to that distribution. Conversely, redemption of an investment prior to a distribution may result in a higher unit price obtained by the investor (reflecting the impending distribution), thereby resulting in a higher capital gain (or reduced capital loss) for the investor.

At the Fund's financial year end, investors will be sent an annual taxation statement that sets out details of any assessable income, capital gains, credits and other information relevant to the preparation of their income tax returns.

Different taxation circumstances apply to investors who are not residents of Australia. Tax will be withheld from your distributions at the appropriate rate and taxation law of the appropriate country will apply.

Attribution Managed Investment Trust (AMIT)

In broad terms, under the Attribution Managed Investment Trust (AMIT) regime, a managed investment trust (MIT) is allowed to make an election to apply the regime to permit unitholders to have defined interests in relation to the income or capital of the trust.

If the Manager makes the election for the Fund to operate under AMIT, the AMIT rules contain a number of provisions that will impact on the taxation treatment of the Fund.

The key features of this include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through a MIT to its unitholders,
- the ability to carry forward understatements and overstatements of taxable income, instead of reissuing investor statements,
- deemed fixed trust treatment under the income tax law,
- upwards cost base adjustments to units to address double taxation, and
- legislative certainty about the treatment of tax-deferred distributions.

Reforms to the taxation of trusts are ongoing so investors should seek their own advice and monitor the progress of announcements and proposed legislative changes to assess their impact.

Tax File Number (TFN)

The Application Form provides for the notification by investors of their TFN, TFN exemption or Australian Business Number (ABN). It is not compulsory to provide your TFN (or exemption) or ABN. However, if the manager is not provided with this information, tax will be required to be deducted from your income distribution at the highest marginal tax rate.

Social Security

An investment in the Fund may have an effect on a social security benefit to which the investor is entitled. It is recommended that professional advice be sought on any potential effect on such benefit by investing in this Fund.

4.9 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 IM in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this IM 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 IM does not constitute an offer of units in any jurisdiction where, or to any person whom, it would be unlawful to issue this IM.

Where this IM has been dispatched to any persons domiciled outside Australia and where that country's securities code and legislation require registration this IM 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 the Manager 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. FEES AND COSTS

5.1 Summary of fees and costs

The following table shows the fees and 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's assets as a whole. Taxes are set out in another part of this document (refer to section 4.8).

You should read all the information about fees and costs as it is important to understand their impact on your investment in the Fund. The fees set out below are exclusive of GST and RITC.

Fees when your money moves in or out of the Fund	Amount	How & When Paid
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
Redemption fee: The fee on each amount you redeem.	Nil	Not applicable
Exit fee: The fee to close your investment.	Nil	Not applicable

Management Costs

The fees and costs for managing your investment.	<i>Management fee</i>	Management fees are calculated daily and paid from the Fund assets monthly, in arrears. The fee is reflected in the daily unit price for each class of units.
	1.25% p.a. of the value of the Fund allocated to this class	
	<i>Performance fee – all classes</i>	
	20% of the outperformance of the class relative to the Fund's benchmark S&P/ASX Small Ordinaries Accumulation Index	The performance fee is calculated and accrued daily. This fee is payable as at 30 June.
	Fund expenses	Fund expenses are paid from the Fund assets as and when incurred.

Service Fees

Switching fee: The fee for changing investment options.	Not applicable	Not applicable
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5.2 Additional explanation of fees and costs

Management costs

Management costs are the costs incurred for managing and administering the Fund and comprise the management and performance fees payable to the Manager, as well as Fund expenses such as custodial, insurance, compliance, accounting and auditing expenses.

The management costs reduce the net assets of the Fund and is reflected in the unit price.

Management fee

The management fee for each class is calculated daily based on the value of the Fund assets allocated to the class, and paid monthly in arrears.

Investment Manager performance based remuneration

A performance fee may be payable to Selector (if certain performance hurdles are met) which is in addition to the management cost paid to Selector as Investment Manager of the Fund.

Selector will be paid a performance fee of 20% of the return achieved over and above the benchmark. The benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

The performance fee is calculated and accrues daily and, if payable, is paid annually in arrears as at 30 June of each year.

The performance fee is calculated each business day during a financial year, based on performance and value of the class on that day (net of management fees) and, where positive, accrued and reflected in the unit price. Where the daily calculated performance fee is negative it is applied to reduce any accrued performance fee for that class from the previous day or, where there is no accrued performance fee, carried forward as a 'performance deficit'.

The performance fee for a financial year is the total of the performance fee calculated (and may be positive or negative) less any 'performance deficit' applying as at 30 June for the previous financial year (with such 'performance deficit' adjusted for any applications or redemptions which occurred during the current financial year). Where the total performance fee is positive at the end of a financial year, a performance fee is payable to the Manager as at 30 June.

Performance fees are payable in relation to the performance of a class as a whole during each financial year.

If Selector retires as trustee of the Fund pursuant to a resolution of members (other than in the case of fraud), the performance fee is calculated on the day of removal (as though it was the last business day of a financial year) and, if applicable, the performance fee is payable from the Fund to Selector within 30 days of the removal.

The proceeds received by investors for units redeemed will be net of any management and performance fees accrued.

Fund expenses

All costs or general expenses incurred by the Manager in connection with the management of the Fund are payable out of the Fund.

Buy-sell spreads

The buy-sell spread represents the transaction costs associated with buying or selling assets when investors enter or withdraw from the Fund. The buy-sell spread is reflected in the unit Application and Redemption Prices of the Fund. It is not a fee paid to the Manager. The current buy-sell spreads for the Fund are as follows:

Buy spread	Sell spread
+0.25%	-0.25%

An example is shown below.

If the net asset value of the Fund is \$1.00 and the buy and sell spreads are +0.25% and -0.25% respectively, the unit Application Price would be \$1.0025 and the unit Redemption Price would be \$0.9975.

Abnormal operating expenses

The Manager is entitled to recover from the Fund any abnormal expenses incurred in the administration of the Fund. Abnormal expenses relate to events such as the costs of holding investor meetings, changes to the Fund's Constitution or engaging in legal proceedings, and are not expected to occur frequently.

Goods & Services Tax (GST)

The Fund will be required to pay GST on certain expenses including management fees. Where available the Fund will be entitled to reduced input tax credits of up to 75% of the GST paid. The fees and expenses quoted in this IM are exclusive of GST and RITC.

Maximum Fees

Under the Constitution, the Manager is entitled to be paid the following maximum fees (excluding GST and RITC if applicable):

<i>Contribution fee:</i>	Nil
<i>Redemption fee:</i>	Nil
<i>Management fee:</i>	4.80% ¹ per annum of the value of the Fund's assets
<i>Performance fee:</i>	20% of the outperformance of the class relative to the Fund's benchmark

¹ This is not the amount charged, rather the maximum amount allowable under the Constitution. Please refer to section 5.3 for an example of how the annual fees and costs are calculated.

5.3 Example of annual fees and costs

This table provides an example of how fees and costs of the Wholesale units in the Fund can affect your investment over a one (1) year period. You should use this table to compare this product with other managed investment products.

Example:		Balance of \$100,000 with a contribution of \$50,000 on 1 July
Contribution Fees	Nil	For every additional \$50,000 you put in, you will be charged \$0.
PLUS Management Costs ^{1,2}	2.15% p.a. (based on 10m FUM)	And , for every \$100,000 you have in the Fund, you will be charged \$2,150 each year.
EQUALS Cost of Fund ^{3,4}		If you had an investment of \$100,000 at the beginning of the year and you invest an additional \$50,000 during that year, you would be charged fees of \$3,225

1. Management costs comprise the management fee and fund expenses and are together calculated using the Indirect Cost Ratio (ICR) per annum, however at time of issue of this IM fees and expenses are not being charged to the fund. The ICR is a calculation of the management costs of the Fund payable on an annual ongoing basis, expressed as a ratio of the Fund's average net assets. The ICR is "indirect" in the sense that is incurred proportionally by all investors in the Fund and is not directly deducted from an investor's account. In this example, management costs comprise the management fee of \$1,250 and indirect costs of \$900.
2. The example does not include a performance fee and assumes FUM of \$10m, which depending on the performance of the Fund, may be payable to Selector Funds Management Limited (see Section 5.2 for more information). Any previous performance fees may not be a reliable indicator of future performance fees for the Fund.
3. This example assumes that the \$50,000 contribution occurs at 1 July, and therefore management costs are calculated based on the entire \$150,000 balance. If the contributions were made during the year, the management costs would be less.
4. You may also incur transaction costs when you invest in or withdraw from the Fund. Please refer to "Buy-sell spreads" in Section 4.3 for more information.

6. ADDITIONAL INFORMATION

6.1 Privacy

When you complete and submit the Application Form, we will be collecting important personal information from you.

We need to collect personal information from investors for the primary purpose of processing applications and issuing units. We may not be able to process a submitted Application Form unless you provide all information required by the Application Form. There are also a number of related purposes for which the personal information will be used. These are to administer your investment, provide you with services relating to your investment and comply with Australian taxation laws and other regulatory requirements.

The information that you provide to us may be disclosed to certain organisations. The types of organisations or persons to whom we may disclose the information provided by you include:

- the Australian Taxation Office, ASIC and other government or regulatory bodies as required by law;
- your advisor or advisor dealer group; and
- any agent, contractor or third-party service provider engaged by the Manager to provide administration, custody, technology, auditing, mailing or printing services.

Please contact the Administrator on 1300 133 451 or +61 2 8259 8888 if you do not consent to us disclosing your personal information in these ways.

It is important that you contact us because, by investing in the Fund, you will be taken to have consented to these uses and disclosures.

In most cases, you can access the personal information that we hold about you subject to some exceptions allowed by law. If you would like to do so you need to contact us. We reserve the right to charge a fee for searching for and providing access to your information.

We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this, please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of information we have about you, we will take steps to correct it.

6.2 Labour standards, environmental, social or ethical considerations

The Manager does take into account labour standards, environmental, social or ethical implications for the purpose of selecting, retaining or realising the investments. Should the earnings potential of the investments be adversely affected by any of these issues, the Manager may consider alternative investments.

6.3 Liability of investors

Based on the Constitution and current law, an investor should not, solely because of being an investor, be personally liable to indemnify the Manager or any creditors of the Fund beyond any unpaid amount on their investment should the Fund be unable to meet its debts. However, the Manager cannot give an absolute assurance that an investor's liability is limited in all circumstances as the issue has not been finally determined by a superior court.

6.4 Interests of the Manager and its directors

The Manager and its directors have an interest in the formation of the Fund and its offer. The directors and family members have investments in the products managed by Selector and an indirect interest in investments acquired by the Fund.

6.5 Material contracts

Constitution

The Fund is a wholesale fund, being an unregistered managed investment scheme structured as a unit trust. The main rules governing the operation of the Fund are set out in the Fund's Constitution, dated 6 July 2022. The Corporations Act and the general law of trusts are also relevant to the rights and obligations of the Manager and of investors.

The Constitution deals with a wide range of matters including:

- application procedures,
- the life and winding up of the Fund,
- complaints,
- the nature of investors' interests,
- income entitlements,
- the Manager's powers,
- investor meetings,

- liability of the Manager and its right of indemnity,
- liability of investors, and
- the Manager's fees and right to be reimbursed for expenses.

Copies of the Constitution are available free of charge and can be obtained by contacting the Manager.

6.6 Authorisation

This IM is issued by the Manager. Each director of the Manager has consented to the issue of this IM.

GLOSSARY

AFSL:	Australian Financial Services Licence
Application Form:	The application form for units in the Fund attached to, or accompanying this IM.
Application Money:	The money payable by an applicant on submitting the Application Form.
Application Price:	Means the unit price calculated in accordance with the Constitution on the issue of a unit.
ASIC:	Australian Securities and Investments Commission
Benchmark:	S&P/ASX Small Ordinaries Accumulation Index
Business day:	A day other than a Saturday, Sunday on which banks are open for general banking business in Sydney and Melbourne.
Class:	Means a class of units.
Constitution:	The constitution of the Fund, dated 6 July 2022.
Corporations Act:	Corporations Act 2001 (Cth).
Custodian:	The independent provider of custody services appointed by the Manager to hold assets on the Manager's behalf.
Financial Advisor:	Means a financial advisor licensed by ASIC.
Fund:	Selector Small Companies Fund
Investment Manager:	Selector Funds Management Limited (ABN 85 102 756 347, AFSL 225316)
Investor:	A holder of units in the Fund.
IM:	Information Memorandum.
Redemption Price:	Means the unit price calculated in accordance with the Constitution on the redemption of a unit.
Selector:	Selector Funds Management Limited (ABN 85 102 756 347, AFSL 225316)
Unit(s):	Means a unit in the Fund.
Wholesale client:	Has the meaning given in section 761G of the Corporations Act and also includes a sophisticated investor pursuant to section 761GA of the Corporations Act.
Wholesale unit:	The class of unit offered under this IM.

DIRECTORY

Any questions about the application process or your investment or statements should be directed in the first instance to our fund administrator, Apex Fund Services.

Fund Administrator, Custodian and Registrar

Apex Fund Services

ABN 81 118 902 891

AFSL 303253

GPO Box 4968

Sydney NSW 2001

Phone: +61 2 8259 8888

Free call: 1300 133 451

Email: registry@apexgroup.com

Apex Online Investor Portal <https://selector-v1.apexgroupportal.com>

Apex Online Application Portal <https://selector-v1.apexgroupportal.com/apply/wholesale>

Auditor

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AFSL 225316

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You can obtain information about investing in the Fund including the latest unit price by contacting us on:

Telephone: +61 2 8311 7736

Website: www.selectorfund.com.au

Email: info@selectorfund.com.au