

NOTICE OF FILING AND HEARING

Filing and Hearing Details

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File Number:	VID1486/2025
File Title:	AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v SQM RESEARCH PTY LTD (ACN 122 592 036)
Registry:	VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA
Reason for Listing:	To Be Advised
Time and date for hearing:	To Be Advised
Place:	To Be Advised



Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.



Federal Court of Australia
District Registry: Victoria
Division: General

No.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

SQM Research Pty Ltd (ACN 122 592 036)

Defendant

ORIGINATING PROCESS

A. DETAILS OF APPLICATION

This application is made under s 21 of the *Federal Court of Australia Act 1976* (Cth) (**Federal Court Act**), ss 912A(1)(a), 912A(5A), 1317E and 1317G(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and ss 12DB(1)(a), 12DB(1)(e), 12GBA and 12GBB of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**).

Capitalised terms in this Originating Process have the same meaning as in the Statement of Claim filed 12 November 2025 (**SOC**).

The Plaintiff (**ASIC**) seeks against the Defendant (**SQM**):

1. Declarations of contraventions of s 912A(1)(a) of the Corporations Act under s 21 of the Federal Court Act.
2. Declarations of contraventions of s 912A(5A) of the Corporations Act under s 1317E of the Corporations Act.
3. Declarations of contraventions of ss 12DB(1)(a) and 12DB(1)(e) of the ASIC Act under s 12GBA of the ASIC Act.
4. Pecuniary penalty orders under s 1317G(1) of the Corporations Act.
5. Pecuniary penalty orders under s 12GBB of the ASIC Act.

Filed on behalf of Australian Securities and Investments Commission, Plaintiff

Prepared by Rebecca Jaffe

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6. Costs.

On the facts stated in the SOC, ASIC seeks the following relief:

Declarations

Contraventions with respect to the 6 October 2021 Report and the March 2022 Report

7. Declarations that, in producing and publishing each of the 6 October 2021 Report in the period between 12 August 2021 and 17 March 2022 and the March 2022 Report in the period between 11 March 2022 and 25 October 2022, SQM contravened s 912A(1)(a) of the Corporations Act by:

- (a) not obtaining up-to-date information relevant to and necessary for SQM to rate each class of the SMF the subject of the report, comprising:
 - (i) for the 6 October 2021 Report, the information referred to in paragraph 92(a) of the SOC; and
 - (ii) for the March 2022 Report, the information referred to in paragraph 92(b) of the SOC,

in breach of the Relevant Information Obligation referred to in paragraph 87(a) of the SOC; and

- (b) not holding at least one meeting after SQM had received and reviewed all of the Relevant Information, attended by, (*inter alia*) each manager of the underlying funds that the SMF invested in or would be investing in, in breach of the Meeting Obligation referred to in paragraph 87(b) of the SOC.

8. Declarations that, in producing and publishing the 6 October 2021 Report in the period between 12 August 2021 and 17 March 2022, SQM contravened s 912A(1)(a) of the Corporations Act by not having:

- (a) completed a Scorecard in the course of preparing the 6 October 2021 Report;
- (b) obtained (and therefore could not have reviewed, considered, assessed, verified and analysed) all of the information which SQM was required to have obtained pursuant to the Relevant Information Obligation, comprising the information referred to in paragraph 92(a) of the SOC, and
- (c) considered, assessed, verified and analysed the 2021 Inconsistencies, Missing Information and Differences referred to in paragraph 89 of the SOC,

in breach of the Analysis Obligation referred to in paragraph 87(c) of the SOC.

9. Declarations that, in producing and publishing the March 2022 Report in the period between 11 March 2022 and 25 October 2022, SQM contravened s 912A(1)(a) of the Corporations Act by not having:

- (a) taken any of the steps referred to in paragraph 8 above;
- (b) arranged for an internal peer review of a draft of the March 2022 Report;
- (c) prepared or completed a Scorecard in the course of preparing the March 2022 Report;
- (d) obtained (and therefore could not have reviewed, considered, assessed, verified and analysed) all of the information which SQM was required to have obtained pursuant to the Relevant Information Obligation, comprising the information referred to in paragraph 92(b) of the SOC, and
- (e) considered, assessed, verified and analysed the March 2022 Inconsistencies, Missing Information and Differences referred to in paragraph 91 of the SOC,

in breach of the Analysis Obligation referred to in paragraph 87(c) of the SOC.

10. Declarations that, by reason of each of the contraventions referred to in paragraphs 7 to 9 above, SQM contravened s 912A(5A) of the Corporations Act.
11. Declarations that, between 6 October 2021 and 17 March 2022, by publishing and continuing to make available to subscribers the 6 October 2021 Report, SQM, in trade or commerce, and in connection with the supply or possible supply of financial services and the promotion by any means of the supply or use of financial services, made the following representations that services were of a particular standard, quality, value or grade and that services have approval, performance characteristics, uses or benefits, which were false or misleading in contravention of ss 12DB(1)(a) and 12DB(1)(e) of the ASIC Act:
 - (a) the 6 October 2021 Report Rating Representation, as referred to in paragraph 100 of the SOC, which was false or misleading because SQM did not have reasonable grounds for its opinions as to the 6 October 2021 Report Rating and SQM did not exercise reasonable care and skill in forming its opinions as to the 6 October 2021 Report Rating;
 - (b) the 6 October 2021 Report Rating Components Representations, as referred to in paragraph 101 of the SOC, which were each false or misleading because SQM did not have reasonable grounds for its opinions as to each of the 6 October 2021 Report Rating Components and SQM did not exercise reasonable care and skill in forming its opinions as to each of the 6 October 2021 Report Rating Components;
 - (c) the 6 October 2021 Report 80:20 Representation, as referred to in paragraph 110(a) of the SOC, which was false or misleading because neither the Conservative class nor the Balanced class of the SMF provided exposure to an actively managed portfolio of an 80:20 allocation between growth assets and defensive assets; and
 - (d) the 6 October 2021 Report Growth Portion Representation, as referred to in paragraph 110(b) of the SOC, which was false or misleading because both Pearl / Watershed and CF Capital were appointed to manage portions of each of the Conservative, Balanced and Growth classes of the SMF which portions each included growth assets.

12. Declarations that, between 18 March 2022 and 25 October 2022, by publishing and continuing to make available to subscribers the March 2022 Report, SQM, in trade or commerce, and in connection with the supply or possible supply of financial services and the promotion by any means of the supply or use of financial services, made the following representations that services were of a particular standard, quality, value or grade and that services have approval, performance characteristics, uses or benefits, which were false or misleading in contravention of ss 12DB(1)(a) and 12DB(1)(e) of the ASIC Act:

- (a) the March 2022 Report Rating Representation, as referred to in paragraph 105 of the SOC, which was false or misleading because SQM did not have reasonable grounds for its opinions as to the March 2022 Report Rating and SQM did not exercise reasonable care and skill in forming its opinions as to the March 2022 Report Rating;
- (b) the March 2022 Report Rating Components Representations, as referred to in paragraph 106 of the SOC, which were each false or misleading because SQM did not have reasonable grounds for its opinions as to each of the March 2022 Report Rating Components and SQM did not exercise reasonable care and skill in forming its opinions as to each of the March 2022 Report Rating Components;
- (c) the 6 October 2021 Report 80:20 Representation, as referred to in paragraph 110(a) of the SOC, which was false or misleading because neither the Conservative class nor the Balanced class of the SMF provided exposure to an actively managed portfolio of an 80:20 allocation between growth assets and defensive assets;
- (d) the 6 October 2021 Report Growth Portion Representation, as referred to in paragraph 110(b) of the SOC, which was false or misleading because both Pearl / Watershed and CF Capital were appointed to manage portions of each of the Conservative, Balanced and Growth classes of the SMF which portions each included growth assets;
- (e) the March 2022 Report High Growth Class 80:20 Representation, as referred to in paragraph 111(c) of the SOC, which was false or misleading because the High Growth class did not provide exposure to an actively managed portfolio of an 80:20 allocation between growth assets and defensive assets; and
- (f) the March 2022 Report High Growth Class Growth Portion Representation, as referred to in paragraph 111(d) of the SOC, which was false or misleading because both Pearl / Watershed and CF Capital were appointed to manage portions of the High Growth class of the SMF which portions each included growth assets.

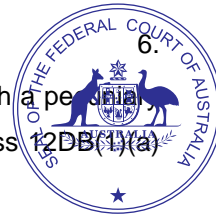
Contraventions with respect to the October 2022 Report

13. Declarations that, in producing and publishing the October 2022 Report in the period between 21 June 2022 and 18 December 2023, SQM contravened s 912A(1)(a) of the Corporations Act by not having considered, assessed, verified and analysed the October 2022 Inconsistencies and Differences referred to in paragraph 120 of the SOC, in breach of the Analysis Obligation referred to in paragraph 87(c) of the SOC.

14. A declaration that, by reason of the contravention referred to in paragraph 13 above, SQM contravened s 912A(5A) of the Corporations Act.
15. Declarations that, between 26 October 2022 and 18 December 2023, by publishing and continuing to make available to subscribers the October 2022 Report, SQM, in trade or commerce, and in connection with the supply or possible supply of financial services, and the promotion by any means of the supply or use of financial services, made the following representations that services were of a particular standard, quality, value or grade and that services have approval, performance characteristics, uses or benefits, which were false or misleading in contravention of ss 12DB(1)(a) and 12DB(1)(e) of the ASIC Act:
 - (a) the October 2022 Report Rating Representation, as referred to in paragraph 124 of the SOC, which was false or misleading because SQM did not have reasonable grounds for its opinions as to the October 2022 Report Rating and SQM did not exercise reasonable care and skill in forming its opinions as to the October 2022 Report Rating;
 - (b) the October 2022 Report Rating Components Representations, as referred to in paragraph 125 of the SOC, which were each false or misleading because SQM did not have reasonable grounds for its opinions as to each of the October 2022 Report Rating Components and SQM did not exercise reasonable care and skill in forming its opinions as to each of the October 2022 Reporting Rating Components;
 - (c) the October 2022 Report Pearl / Watershed Asset Allocation Representation, as referred to in paragraph 129(a) of the SOC, which was false or misleading because the SMF did not have a target asset allocation of 80% to multi-assets externally managed by Pearl / Watershed and would not continue to have a target asset allocation of 80% to multi-assets externally managed;
 - (d) the October 2022 Report CF Capital Asset Allocation Representation, as referred to in paragraph 129(b) of the SOC, which was false or misleading because the SMF did not have and would not continue to have a target asset allocation of 20% to direct property managed by CF Capital and invested in the ADPF; and
 - (e) the October 2022 Report Actual Asset Allocation Representation, as referred to in paragraph 129(c) of the SOC, which was false or misleading because the SMF's target asset allocations as between fund managers as at the date of the October 2022 Report were materially different from the data as to actual asset allocations as between fund managers that was provided to SQM as part of SQM producing the October 2022 Report.

Pecuniary Penalties

16. An order pursuant to s 1317G(1) of the Corporations Act that SQM pay to the Commonwealth a pecuniary penalty in an amount to be fixed by the Court in respect of each contravention of s 912A(5A) of the Corporations Act.



17. An order pursuant to s 12GBB of the ASIC Act that SQM pay to the Commonwealth a pecuniary penalty in an amount to be fixed by the Court in respect of each contravention of ss 12DB(1)(a) and 12DB(1)(e) of the ASIC Act.

Other orders

32. An order that SQM pay ASIC's costs.
33. Such further or other orders as the Court thinks fit.

Dated: 12 November 2025

A handwritten signature in blue ink, appearing to read "Rebecca Jaffe", is written over a dotted line.

Signed by Rebecca Jaffe
Lawyer for the Plaintiff

This application will be heard by the Federal Court of Australia at Level 7, Commonwealth Law Courts, 305 William Street, Melbourne in the State of Victoria at am/pm on



B. NOTICE TO DEFENDANT(S) (IF ANY)

TO: SQM Research Pty Ltd (ACN 122 592 036) of Suite 2 Level 15, 99 Walker Street, North Sydney
NSW 2060

If you or your legal practitioner do not appear before the Court at the time shown above, the application may be dealt with, and an order made, in your absence. As soon after that time as the business of the Court will allow, any of the following may happen:

- (a) the application may be heard and final relief given;
- (b) directions may be given for the future conduct of the proceeding;
- (c) any interlocutory application may be heard.

Before appearing before the Court, you must file a notice of appearance, in the prescribed form, in the Registry and serve a copy of it on the Plaintiff.

Note Unless the Court otherwise orders, a defendant that is a corporation must be represented at a hearing by a legal practitioner. It may be represented at a hearing by a director of the corporation only if the Court grants leave.

C. APPLICATION FOR WINDING UP ON GROUND OF INSOLVENCY

Not applicable

D. FILING

Date of filing: 12 November 2025

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Registrar

This originating process is filed by Rebecca Jaffe of HWL Ebsworth Lawyers, solicitor for the Plaintiff.

E. SERVICE

The Plaintiff's address for service is:

C/- HWL EBSWORTH LAWYERS
Level 8, 447 Collins Street
Melbourne VIC 3000

Email: rjaffe@hwle.com.au

The Plaintiff's address is Level 7, 120 Collins Street, Melbourne VIC 3000.

It is intended to serve a copy of this originating process on the Defendant.