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### About this PDS

This Product Disclosure Statement ("PDS") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity") and is a summary of the significant information relating to an investment in the SGH ICE - Professional Investor Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the SGH Professional Investor Reference Guide ("Reference Guide"), which forms part of this PDS. You should carefully read and consider both the information in this PDS, and the information in the Reference Guide, before making a decision about investing in the Fund.

The information provided in this PDS is general information only and does not take account of your personal objectives, financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances and consider whether investing in the Fund is appropriate for you in light of those circumstances.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary this position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined in the Reference Guide) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

### Contents

1. About Equity Trustees Limited
2. How the SGH ICE - Professional Investor Fund works
3. Benefits of investing in the SGH ICE - Professional Investor Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

### The Reference Guide

Throughout the PDS, there are references to additional information contained in the Reference Guide. You can obtain a copy of the PDS and the Reference Guide, free of charge, by visiting [www.sghiscock.com.au](http://www.sghiscock.com.au), [www.iceinvestors.com.au](http://www.iceinvestors.com.au) or by calling Mainstream Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888.

The information contained in the Reference Guide may change between the day you receive this PDS and the day you acquire the product. You must therefore ensure that you have read the Reference Guide current as at the date of your application.

### Updated information

Information in this PDS is subject to change. We will notify you of any changes that have a material adverse impact on you or other significant events that affect the information contained in this PDS. Any information that is not materially adverse information is subject to change from time to time and may be obtained by visiting [www.sghiscock.com.au](http://www.sghiscock.com.au), [www.iceinvestors.com.au](http://www.iceinvestors.com.au) or by calling Mainstream Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888. A paper copy of the updated information will be provided free of charge on request.

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AFSL 240679  
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**Sub-Investment Manager**  
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# 1. About Equity Trustees Limited

## The Responsible Entity

### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed SG Hiscock & Company Limited as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

## The Investment Manager

### SG Hiscock & Company Limited

SG Hiscock & Company ("SGH") is a boutique investment manager specialising in high conviction, actively managed investment strategies. These strategies cover Australian equities and property securities – Australian and global Real Estate Investment Trusts (REITs) and Managed Discretionary Portfolios.

SGH was established in Melbourne in 2001 by six of its principals and is entirely owned by directors and staff. SGH has appointed ICE Investors under a sub-investment agreement to undertake the portfolio management of the SGH ICE Fund.

## The Sub-Investment Manager

### ICE Investors Pty Ltd

ICE Investors Pty Ltd (ICE Investors) specialises in investing in Australian listed industrial companies and the lead portfolio manager has been managing the SGH ICE Fund since 2006. ICE Investors applies a franchise investment style to identify quality companies that are suitable investment candidates. Portfolio decisions are underpinned by a valuation-based investment discipline. The SGH ICE Fund typically invests in mid to small market capitalisation companies in an index unaware manner. ICE Investors is located in the Melbourne CBD and is a Corporate Authorised Representative of SGH.

# 2. How the SGH ICE - Professional Investor Fund works

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive units when they invest in the Fund. In general, each unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give investors an interest in any particular asset of the Fund.

## Applying for units

You can acquire units by completing the Application Form that accompanies this PDS. The minimum initial investment amount for the Fund is \$250,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

Mainstream Fund Services Pty Ltd  
Unit Registry  
GPO Box 4968  
Sydney, NSW, 2001

You can also email: [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com)

Please note that cash cannot be accepted.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.35%.

The Application Price will vary as the market value of assets in the Fund rises or falls.

## Making additional investments

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed additional Investment Form. The minimum additional investment into the Fund is \$5,000. Forms are available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au).

## Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period.

The Fund usually distributes income half-yearly at the end of June and December, however, Equity Trustees may change the distribution frequency without notice. Distributions are calculated effective the last day of each distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

## Access to your money

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

Mainstream Fund Services Pty Ltd  
Unit Registry  
GPO Box 4968  
Sydney, NSW, 2001

You can also email: [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com)

Or sending it by fax to +61 2 9251 3525

The minimum withdrawal amount is nil. Withdrawal forms are available at [www.sghiscock.com](http://www.sghiscock.com) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). Once we receive and accept your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees will generally allow an investor to access their investment within 7 days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investor's nominated bank account. However, Equity Trustees is allowed to reject withdrawal requests, and also to make payment up to 30 days after acceptance of a request (which may be extended in certain circumstances) as outlined in the Constitution and Reference Guide.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion.

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.35%.

The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$50,000 as a result of processing your withdrawal request. In certain circumstances, for example, when there is a freeze on withdrawals, where accepting a withdrawal is not in the best interests of investors in the Fund including due to one or more circumstances outside its control or where the Fund is not liquid (as defined in the Corporations Act), Equity Trustees can deny or suspend a withdrawal request and you may not be able to withdraw your funds in the usual processing times or at all. When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

### Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

### Additional information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Investors would then have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

### Further reading...

You should read the important information in the Reference Guide about:

- Application cut-off times;
- Application terms;
- Authorised signatories;
- Reports;
- Withdrawal cut-off times;
- Withdrawal terms; and
- Withdrawal restrictions,

under the "Investing in the SGH Funds", "Managing your investment" and "Withdrawing your investment" sections before making a decision. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 3. Benefits of investing in the SGH ICE - Professional Investor Fund

The Fund is an actively managed Australian Share portfolio that aims to deliver superior medium to long-term returns. The Fund aims to achieve this outperformance by investing in companies which have, or are creating, a sustainable competitive advantage due to their ownership or utilisation of assets that are difficult to replicate. Benefits of investing in the Fund include:

- access to the expertise of a specialist investment boutique structure;
- access to active management aimed at maximising potential for superior returns by investing in companies that the Investment Manager considers to have or are creating an entrenched market position for their products or services;
- potential for growth by investing in businesses based on their prospects rather than their size to accumulate wealth over the long-term;
- significant diversification as it primarily invests in companies that are less affected by the vagaries of the economic cycle; and
- regular reporting to keep you up to date on your investments.

## 4. Risks of managed investment schemes

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity, Investment Manager and the Sub-Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

### Company specific risk

There may be instances where a company or managed investment scheme will fall in value because of company or scheme specific factors (for example, where a company's major product is subject to a product recall). The value of a company's securities can also vary because of changes to management, product, distribution or the company's business environment.

### Currency risk

The Fund may invest in securities listed on non-Australian exchanges. Currency movements against the Australian dollar may adversely affect the domestic value of the Fund's investments and the income from those investments. Where considered appropriate, the Investment Manager will hedge currency exposures to reduce the risk of adverse fluctuations in the value of the Australian dollar relative to other currencies.

### Derivatives risk

In the case of derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security. Other risks associated with derivatives include that they can lose value because of a sudden price move or because of the passage of time, potential illiquidity of the derivative, that the Fund cannot meet payment obligations as they arise, and that the counterparty to any derivative contract does not meet its obligations under the contract.

### Investment selection risk

The Sub-Investment Manager may make poor investment decisions resulting in sub-standard returns (for example where the Investment Manager invests in a company that significantly underperforms the share market). This risk is mitigated to some extent by the knowledge and experience of the Investment Manager.

### Further reading...

Before making a decision to invest, you should read the important information in the SGH Reference Guide "Additional risks of managed investment schemes" section about additional risks that apply to managed investment schemes. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to the additional risks may change between the time when you read this PDS and the day when you acquire the product.

## 5. How we invest your money

**Warning:** Before choosing to invest in the Fund you should consider the likely investment returns, the risks of investing and your investment time frame.

### Investment objective

The Fund's investment objective is to achieve positive long-term returns over rolling 5 to 7 year periods. Returns are not guaranteed.

### Performance Hurdle

The performance hurdle is the daily percentage movement in the S&P/ASX 300 Accumulation Index plus 1.20% per annum calculated on a daily basis.

### Minimum suggested time frame

The minimum suggested investment time frame for the Fund is 5 years.

### Risk level of the Fund

High

There is a risk investors may lose some or all of their initial investment. Higher risk investments tend to fluctuate in the short-term but can produce higher returns than lower risk investments over the long-term.

### Investor suitability

The Fund is suited for investors who would like to invest in an index unaware weighted portfolio of listed companies which have or are in the process of creating a sustainable competitive advantage and who seek to achieve a positive long-term return over a rolling 5 to 7 year periods.

### Investment strategy

The Fund aims to deliver superior medium to long-term returns by investing, either directly or through derivatives, in listed securities which possess, in the opinion of the Sub-Investment Manager, a sustainable competitive edge. The Fund strategy is focused on quality, providing a unique exposure to predominantly mid to small cap Australian industrial franchise companies.

The Fund's investment philosophy is that investors achieve superior returns by investing at sensible prices in companies which have a sustainable competitive advantage. The Sub-Investment Manager believes that companies can create a sustainable competitive advantage by;

- (1) owning key intangible assets which are difficult to replicate (such as brands, licenses, patents, distribution rights, logistical capability, a captive client base) and
- (2) operating these difficult to replicate assets with the objective of entrenching the company's products/services in the marketplace.

### Investment guidelines

An investment's weighting in the Fund will principally be determined by the Sub-Investment Manager's view on whether the investment's return is likely to exceed the Fund's investment objective over the 5 to 7 year time frame, not by any index weight. As a result of this strategy, the Fund's investment portfolio is expected to have very different weights to that of the S&P/ASX 300 Index.

The assets of the Fund will be invested in accordance with the following guidelines:

- Investment in a portfolio of approximately 30 to 50 securities (with a minimum investment in 15 securities and a maximum investment in no more than 80 securities) that are listed, or due to be listed within the next 12 months, on a recognised stock exchange.
- Investment of up to 100% of the Fund's assets in securities listed on the ASX. The Fund can also have an investment of up to 30% of its assets in securities listed, or about to be listed, on recognised international stock exchanges. The Fund can have up to 50% of its assets in cash.
- Foreign currency exposures, excluding New Zealand dollar exposures, will be hedged to reduce the impact of adverse fluctuations in the value of the Australian dollar.
- Aggregate exposure to securities will be between 50% and 100% although it is expected that the Fund's aggregate exposure to securities will typically be at the higher end of this range. It is expected that the Fund's aggregate exposure to securities will only be at the lower end of this range when attractively valued securities cannot be identified by the Investment Manager.
- Although the Fund is permitted to borrow, it is intended at the date of this PDS that the Fund will not borrow for the purpose of investing the money borrowed. The Fund may, however, use overdraft facilities as and when required.
- The Fund is permitted to use derivatives for non-speculative

purposes. It is intended that derivatives be used to adjust exposures to individual securities and markets and not to gear the Fund.

- Generally, the investment in any one company will not be more than 15% of the market value of the Fund's assets.
- Generally, a holding in any one company will not be more than 10% of the issued capital of a company.
- The Fund is permitted to invest up to 10% of the Fund's assets in unlisted securities, but those unlisted securities must be expected to be quoted on a recognised stock exchange within 12 months of purchase.

Due to movements in the market or similar events, the guidelines set out above may not be adhered to from time to time. In these circumstances, the Sub-Investment Manager will seek to bring the Fund's investments within the guidelines within a reasonable period of time.

## Changing the investment strategy

The investment strategy and asset allocation parameters may be changed. If a change is to be made, investors in the Fund will be notified in accordance with the Corporations Act.

## Labour, environmental, social and ethical considerations

ICE Investors has a formal Board endorsed environmental, social and governance ("ESG") policy. This incorporates the guidelines from the Australian Council of Superannuation Investors, as well as the framework provided under the Principles for Responsible Investment. ICE Investors regards itself as a responsible investor and takes an active approach to integrating and embedding ESG considerations into its investment decision making process, and engaging with company boards and management on ESG issues where appropriate. ICE Investors believes effective governance structures and processes helps reduce risk, and provides insight into company's culture and intangible assets, and is ultimately reflected in a company's intrinsic value over the long term.

## Fund performance

Up to date information on the performance of the Fund will be available by visiting [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au), emailing [distribution@sghiscock.com.au](mailto:distribution@sghiscock.com.au) or calling SGH on 1300 555 511 (Australia) or +613 9612 4600.

# 6. Fees and costs

### DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower 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 funds fee calculator to help you check out different fee options.

The information in the following template can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from an investor's account or deducted from investment returns. For information on tax please see Section 7 of this PDS.

TYPE OF FEE OR COST	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment <sup>1</sup>	<p><b>Management fees:</b> 1.18% p.a. of the NAV of the Fund<sup>2</sup></p> <p><b>Indirect costs:</b> 0% p.a. of the NAV of the Fund<sup>3</sup></p> <p><b>Performance fees:</b> 15.375% of the amount by which the Fund's performance exceeds the S&amp;P/ASX 300 Accumulation Index plus 1.20% per annum . Any underperformance from a prior period must be recouped before a fee can be taken (we call this the high-watermark)<sup>4</sup></p>

<sup>1</sup> All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how management costs are calculated.

<sup>2</sup> Management fees can be negotiated. See "Differential fees" below.

<sup>3</sup> The indirect costs are calculated with reference to the relevant costs incurred during the financial year ended 30 June 2018. See "Indirect costs" below for more information.

<sup>4</sup> This represents the performance fees which are payable as an expense of the Fund to the Investment Manager. See "Performance fees" below for more information.

## Additional Explanation of fees and costs

### What do the management costs pay for?

Management costs comprise the additional fees or costs that an investor incurs by investing in the Fund rather than by investing directly in the underlying assets of the Fund. Management costs include management fees, performance fees and indirect costs.

In addition, management costs do not include transactional and operational costs (i.e. costs associated with investing the underlying assets, some of which may be met by Buy/Sell Spreads).

### Management fees

The management fees of 1.18% p.a. of the NAV of the Fund are payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, ordinary expenses such as investment management fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are covered by the management fees at no additional charge to you.

The management fees shown above do not include extraordinary expenses (if they are incurred in future), such as litigation costs and the costs of convening investor meetings.

## Indirect costs

Indirect costs include fees and other management costs (if any) arising from underlying funds and, if applicable, a reasonable estimate of the cost of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy. Indirect costs are reflected in the unit price of the Fund and borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

The fee paid to the the Sub-Investment Manager is payable by SGH, there is no additional fee payable by unitholders.

The estimated components of the Fund's indirect costs are based on the financial year ended 30 June 2018.

Actual indirect costs for future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at [www.sghiscock.com.au](http://www.sghiscock.com.au) where they are not otherwise required to be disclosed to investors under law.

## Performance fees

Performance fees are payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the S&P/ASX 300 Accumulation Index plus 1.20% per annum ("Benchmark"). The performance fees are 15.375% of this excess, calculated daily and paid annually in arrears from the Fund and calculated based on the beginning NAV of the Fund over the relevant period.

No performance fee is payable until:

- the Net Asset Value of the Fund\* as at the end of the relevant performance fee period is greater than the Net Asset Value of the Fund as at the end of the last performance fee period for which a performance fee was paid; and/or
- any accrued underperformance (in dollar terms), as against the Benchmark, from prior periods has been made up;

This is collectively referred to as the High Water Mark.

\*Note that the Net Asset Value as at the end of the relevant performance fee period is adjusted for any change in the Net Asset Value as a result of applications, redemptions or distributions since the end of the last performance fee period for which a performance fee was paid.

Based on the current calculation methodology for the performance fee, the Responsible Entity has estimated that the typical ongoing performance fee payable per annum may be \$153.75 assuming an average account balance of \$50,000 during the year. However, this is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be, but it will be reflected in the management costs for the Fund for the relevant year. Information on current performance fees will be updated from time to time and available at [www.sghiscock.com.au](http://www.sghiscock.com.au).

## Transactional and operational costs

In managing the assets of the Fund, the Fund may incur transactional and operational costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, and the costs of derivatives used for hedging purposes (if applicable). This generally happens when the assets of a fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of a fund.

The Buy/Sell Spread reflects the estimated transaction costs incurred in buying or selling assets of the Fund when investors invest in or withdraw from the Fund. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Fund and is not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.35% upon entry and 0.35% upon exit. The dollar value of these costs based on an application or a withdrawal of \$250,000 is \$875 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion.

Transactional costs which are incurred other than in connection with applications and withdrawals arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price. As these costs are factored into the NAV of the Fund and reflected in the unit price, they are an additional implicit cost to the investor and are not a fee paid to the Responsible Entity. These costs can arise as a result of bid-offer spreads (the difference between an asset's bid/buy price and offer/ask price) being applied to securities traded by the Fund. Liquid securities generally have a lower bid-offer spread while less liquid assets have a higher bid-offer spread reflecting the compensation taken by market makers in providing liquidity for that asset.

During the financial year ended 30 June 2018, the total transaction costs for the Fund were estimated to be 0.34% of the NAV of the Fund, of which 39% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 0.21% p.a.

However, actual transactional and operational costs for future years may differ.

## Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. Equity Trustees has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days' notice of any proposed change to the management costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Expense recoveries may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law.

## Differential fees

The Responsible Entity or Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients.

## Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

**EXAMPLE – SGH ICE - Professional Investor****BALANCE OF \$250,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR**

Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management costs <b>Comprising:</b>	1.18% p.a.	<b>And</b> , for every \$250,000 you have in the Fund you will be charged \$2,950 each year comprising:
Management fees:	1.18% p.a.	\$2,950
Indirect costs:	0% p.a.	\$0
Performance fees:	0% p.a.	\$0
<b>Equals</b> Cost of Fund		If you had an investment of \$250,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$2,950* <b>What it costs you will depend on the fees you negotiate.</b>

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore management costs are calculated using the \$250,000 balance only.

\* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

**Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.**

ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table shows the estimated performance fees for the financial year ended 30 June 2018 as a percentage of the Fund's average NAV. The performance of the Fund, and the performance fees, may be higher or lower or not payable in the future. As a result, the management costs may differ from the figure shown in the table. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future. See also above (next to the heading "Performance fees") our estimated typical ongoing performance fees payable per annum. The actual performance fees for the current financial year and for future financial years may differ. For more information on the performance history of the Fund, visit Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto). Past performance is not a reliable indicator of future performance.

**Further reading...**

You should read the important information in the Reference Guide about:

- Indirect costs
- Performance fee example

under the "Additional information on fees and costs" section before making a decision. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 7. How managed investment schemes are taxed

**Warning: Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.**

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled or, where the Fund has made a choice to be an Attribution Managed Investment Trust ("AMIT") and the choice is effective for the income year, are attributed to them.

**Further reading**

You should read the important information about Taxation under the "Other important information" section before making a decision. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 8. How to apply

To invest please complete the Application Form accompanying this PDS, send funds (see details in the Application Form) and your completed Application Form to:

Mainstream Fund Services Pty Ltd  
Unit Registry  
GPO Box 4968  
Sydney, NSW, 2001

You can also email: [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com)

Please note that cash cannot be accepted and all applications must be made in Australian dollars.

**Who can invest?**

Eligible persons (as detailed in the 'About this PDS' section) can invest, however individual investors must be 18 years of age or over.

**Enquiries and complaints**

If you have any enquiries regarding the Fund, you can call Mainstream Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888. Please contact Equity Trustees if you are not completely satisfied with any aspect of our services regarding the management of the Fund. For further information regarding the complaints process please refer to the Reference Guide.

**Online access**

You can access information about your investment in the Fund through the SGH online Investor Portal.

After we receive your Application Form or a written request for online access, you will be emailed your login details to access your account information online. The system will prompt you to change your password when you log on for the first time.

### Further reading

You should read the important information in the Reference Guide about cooling off rights under the "Investing in the SGH Funds" section and enquiries under "Enquiries and complaints" before making a decision. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 9. Other information

### Consent

The Investment Manager and Sub-Investment Manager have given and, as at the date of this PDS, have not withdrawn:

- their written consent to be named in this PDS as the Investment Manager and Sub-Investment Manager of the Fund; and
- their written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Investment Manager and Sub-Investment Manager have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. None of the Investment Manager or Sub-Investment Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

### Further reading

You should read the important information in the Reference Guide about:

- Your privacy;
- The Constitution;
- Anti-Money Laundering and Counter Terrorism Financing laws ("AML/CTF laws");
- Information on underlying investments;
- Foreign Account Tax Compliance Act ("FATCA"); and
- Common Reporting Standard ("CRS"),

under the "Other important information" section before making a decision. Go to the Reference Guide which is available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or [www.iceinvestors.com.au](http://www.iceinvestors.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.