

# SGH Reference Guide

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## ABOUT THIS SGH REFERENCE GUIDE

This SGH Reference Guide has been prepared and issued by Equity Trustees Limited ("Equity Trustees"). The information in this document forms part of the Product Disclosure Statement ("PDS") issued by Equity Trustees for the following Funds:

- SGH ICE
- SGH Australia Plus Fund
- SGH20
- SGH Property Income Fund
- SGH Emerging Companies Fund
- SGH Micro Cap Fund
- SGH LaSalle Global Listed Property Securities Fund
- SGH LaSalle Global Property Rich Fund

The PDS and this SGH Reference Guide are available at [www.sghiscock.com.au](http://www.sghiscock.com.au) or by calling Mainstream Fund Services Pty Ltd on 1300 133 451 (Australia) or +61 2 8259 8888.

## 1. INVESTING IN A SGH FUND

### APPLICATION CUT-OFF TIMES

If we receive correctly completed Application Forms, identification documents (if applicable) and cleared application money:

- before or on 2pm (Melbourne time) on a Business Day, the application will generally be processed on that Business Day. If your application for units is accepted you will receive the application price calculated for that Business Day, or
- after 2pm (Melbourne time) on a Business Day, the application will be processed on the next Business Day. If your application for units is accepted you will receive the application price calculated for the next Business Day.

### APPLICATION TERMS

We will only start processing an application if:

For investors who apply directly (not via mFund):

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents, if required; and
- we have received the application money (in cleared funds) stated in your Application Form. The time it takes for application money to clear varies depending on how you transfer the money and your bank (it may take up to four Business Days); and

For investors who apply via mFund:

- we receive an application for units via mFund; and
- we receive the relevant application money (in cleared funds).

### Investment Manager

SG Hiscock & Company Limited  
ABN 51 097 263 628  
AFSL 240679  
Website: [www.sghiscock.com.au](http://www.sghiscock.com.au)

### Responsible Entity

Equity Trustees Limited  
ABN 46 004 031 298  
AFSL 240975  
Phone: +61 3 8623 5000  
Website: [www.eqt.com.au](http://www.eqt.com.au)

### Administrator

Mainstream Fund Services Pty Ltd  
Unit Registry  
GPO Box 4968  
Sydney, NSW, 2001  
Phone: 1300 133 451 or +61 2 8259 8888  
Fax: +612 9251 3525  
Email: [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com)  
Website: [www.mainstreamgroup.com](http://www.mainstreamgroup.com)

## 1. INVESTING IN A SGH FUND (CONTINUED)

We will not investigate whether an application for units received by Equity Trustees via mFund has been made with the authority of the applicant.

We reserve the right to accept or reject applications in whole or in part at our discretion and delay processing of applications where we believe this to be in the best interest of all the relevant Fund's investors, without giving any reason.

### COOLING-OFF RIGHTS

If you are a Retail Client you may have a right to 'cool off' in relation to an investment in the Fund, you have up to 14 days from the earlier of:

- confirmation of the investment being received or available; and
- the end of the fifth Business Day after the units are issued or sold.

A Retail Client may exercise this right by notifying Equity Trustees in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant Application Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as an investor in a Fund during the 14 day period; this could include selling part of your investment or switching it to another product. No cooling off period applies if you are a Wholesale Client.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in a Fund by the IDPS. The right to cool off in relation to a Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of an investor in a Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in a Fund on their behalf. The terms and conditions of the IDPS guide or similar type document will govern any rights an Indirect Investor may have in this regard.

## 2. SAVINGS PLAN

You can increase your investment in a Fund through a monthly direct debit from your nominated bank account. The minimum additional investment for a Fund under the savings plan is \$500. Direct debits will be processed on the 19th calendar day of the month if this is not a business day then the direct debit will be processed on the next occurring business day. Your investment will receive value for the day that the funds are debited from your account. See the 'Direct Debit Request Service Agreement below.

Please refer to the PDS for the Fund you are investing in to see whether the savings plan is available.

The following is your Direct Debit Service Agreement with Mainstream Fund Services Pty Ltd ABN 81 118 902 891 (Mainstream) who acts as the unit registry provider of each fund. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

### DEFINITIONS

#### Account

means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

#### Agreement

means this Direct Debit Request Service Agreement between you and us.

#### Banking day

means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

#### Debit day

means the day that payment by you to us is due.

#### Debit payment

means a particular transaction where a debit is made.

#### Direct debit request

means the Direct Debit Request in the application form or additional application form.

#### Us or we

means Mainstream Fund Services Pty Ltd, (the Debit User) you have authorised by signing a Direct Debit Request.

#### You

means the customer who has signed or authorised by other means the Direct Debit Request.

#### Your financial institution

means the financial institution nominated by you on the DDR at which the account is maintained.

## 1. DEBITING YOUR ACCOUNT

- a) By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.
- b) We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.
- c) If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

## 2. AMENDMENTS BY US

- a) We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

## 3. AMENDMENTS BY YOU

- a) You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14) days notification by writing to:
  - I. Unit Registry  
Mainstream Fund Services Pty Ltd  
GPO BOX 4968  
Sydney NSW 2001
  - II. by telephoning us on 1300 133 451 during business hours;
  - III. arranging it through your own financial institution.

## 4. YOUR OBLIGATIONS

- a) It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.
- b) If there are insufficient clear funds in your account to meet a debit payment:
  - I. you may be charged a fee and/or interest by your financial institution;
  - II. you may also incur fees or charges imposed or incurred by us; and
  - III. you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- c) You should check your account statement to verify that the amounts debited from your account are correct.

- d) If Mainstream Fund Services Pty Ltd is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay Mainstream Fund Services Pty Ltd on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 5. DISPUTE

- a) If you believe that there has been an error in debiting your account, you should notify us directly on 1300 133 451 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution direct.
- b) If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- c) If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

## 6. ACCOUNTS

You should check:

- I. with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.
- II. your account details which you have provided to us are correct by checking them against a recent account statement; and
- III. with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

## 7. CONFIDENTIALITY

- a) We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- b) We will only disclose information that we have about you:
  - I. to the extent specifically required by law; or
  - II. for the purposes of this agreement (including disclosing information in connection with any query or claim).

## 8. NOTICE

- a) If you wish to notify us in writing about anything relating to this agreement, you should write to
- Mainstream Fund Services Pty Ltd  
GPO Box 4968  
Sydney NSW 2001
- b) We will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request.

Any notice will be deemed to have been received on the third banking day after posting.

## 3. MANAGING YOUR INVESTMENT

### AUTHORISED SIGNATORIES

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the Application Form and have them sign the relevant sections. If you wish to apply or have applied for units via mFund, please contact Mainstream Fund Services Pty Ltd for the appropriate form that your authorised signatories will need to sign. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online access to your investment account information.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

### REPORTS

Unitholders will be provided with the following reports:

- Application and withdrawal confirmation statements;
- Transaction statements; and
- (where applicable), distribution and tax statements.

The annual audited financial accounts is available on our website.

## 4. WITHDRAWING YOUR INVESTMENT

### WITHDRAWAL CUT-OFF TIMES

All withdrawal requests received by 2pm on a Business Day will be processed that day based on the applicable Withdrawal Price for that Business Day. Any withdrawal request received after that time will be treated as having been received the following Business Day.

### WITHDRAWAL TERMS

When you are withdrawing, you should take note of the following:

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal requestor payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier, email, fax or any other electronic means, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made at the request of your authorised representative without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.
- We will not investigate whether a withdrawal request received by Mainstream Fund Services Pty Ltd via mFund has been made with the authority of the unitholder.

### WITHDRAWAL RESTRICTIONS

Under the Corporations Act, you do not have a right to withdraw from a fund if the fund is illiquid. In such circumstances, you can only withdraw where Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

A fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, should Equity Trustees be unable to realise sufficient assets to meet withdrawal payments, it may suspend the calculation of the NAV and withhold withdrawal proceeds.

## 5. ADDITIONAL RISKS OF MANAGED INVESTMENT SCHEMES

The following risks are of a general nature and apply generally to investments in managed funds. You must also read the risks specific to the Fund in which you wish to invest. These are disclosed in each Fund's PDS.

### FUND RISK

As with all managed funds, there are risks that a Fund could terminate or that the fees and expenses could change. There is also a risk that investing in a Fund may give different results than investing directly in the securities.

### INFLATION RISK

Inflation risk is the risk that returns will not be sufficiently higher than inflation to enable an investor to meet their financial goals.

### INTEREST RATE RISK

Changes in official interest rates can directly and indirectly impact on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and the valuation of securities. For example, rising interest rates can have a negative impact on a company's value as increased borrowing costs may cause earnings to decline. As a result, the company's share price may fall.

### ISSUER RISK

The value of investments can vary because of changes to an issuer's management, product distribution or business environment.

### LEGAL RISK

There is a risk that laws, including tax laws, might change or become difficult to enforce or comply with.

### LIQUIDITY RISK

There may be times when securities may not be readily sold (for example, in a falling market where some traded securities may become less liquid). However, trading volumes of stock are generally sufficient to satisfy liquidity requirements when necessary. The Investment Manager has attempted to mitigate the liquidity risk factor by ensuring that each Fund has sufficient cash exposure to meet liquidity requirements. Note that neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the investments of the Fund in which you have invested.

### MANAGEMENT RISK

Each Fund is subject to management risk because it is an actively managed investment portfolio. The Investment Manager will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these will produce the desired results.

## MARKET RISK

Changes in legal and economic policy, political events, technology failure, economic cycles, investor sentiment and social climate can all directly or indirectly create an environment that may influence (negatively or positively) the value of your investment in the Fund. In addition, a downward move in the general level of the equity market can have a negative influence on the performance of the Fund.

## 6. ADDITIONAL INFORMATION ON FEES AND COSTS

### INDIRECT COSTS

Indirect costs include any amount, not already disclosed as a fee or cost, which reduces (directly or indirectly) the performance return of a product.

Indirect costs are reflected in the unit price of your investment in the Fund and include any underlying (indirect) management costs, underlying (indirect) performance fees and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

These indirect costs include:

Other indirect costs - In managing the assets of the Fund, the manager(s) may engage in trading activity in certain types of derivative financial products which are not used for hedging purposes but rather to gain or reduce market exposure e.g. derivatives such as forwards, over-the-counter (OTC) options and swap arrangements. Engaging in trade activity of these types of products may give rise to other indirect costs.

### PERFORMANCE FEES

Important note: The PDS for each Fund explains whether a performance fee is applicable to that Fund. Not all Funds charge a performance fee.

- Class A units in the SGH ICE Fund are subject to the performance fee detailed in section 6. Fees and costs of the SGH ICE PDS.
- Units in SGH Emerging Companies Fund are subject to a performance fee detailed in section 6. Fees and costs of the SGH Emerging Companies Fund PDS.
- Units in SGH Micro Cap Fund are subject to a performance fee detailed in section 6. Fees and costs of the SGH Micro Cap Fund PDS.
- SGH Australia Plus Fund are subject to the performance fee detailed in section 6. Fees and costs of the SGH Australia Plus Fund PDS.

Equity Trustees does not consider there is any reasonable basis on which it may estimate performance fee expenses for fund. To estimate performance fee expenses would involve speculation about the return of a Fund against the Fund's performance hurdle. Equity Trustees therefore considers that to estimate performance fee expenses may potentially be misleading.

## 6. ADDITIONAL INFORMATION ON FEES AND COSTS (CONTINUED)

### SGH ICE Fund

The performance fee is 15.375% of the amount by which the Fund exceeds the S&P/ASX300 Accumulation Index plus 1.20%, calculated daily and paid annually in arrears and is calculated based on the daily NAV of the Fund (with distributions reinvested). The performance fees are subject to a high-watermark (that is, no performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up).

Calculation periods end at 30 June each year although the performance fees may not be payable.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

The following is an example of the performance fee expense for a 12 month period ending 30 June ("Performance Fee Period") payable on Class A units of the SGH ICE Fund. Terms referred to below have the same meaning as detailed in section 6. Fees and costs of the PDS for the Fund.

#### Assumptions:

- The percentage movement in the S&P/ASX 300 Accumulation Index from the start of the Performance Fee Period to the end of the Performance Fee Period is 6%;
- the Fund's performance hurdle for the Performance Fee Period is 7.2%;
- the Fund's 'investment return' for the Performance Fee Period is 8%;
- the Fund's 'investment return' for the Performance Fee Period is assumed to accrue evenly over the course of the Performance Fee Period;
- the Fund's 'investment return' with reference to which the performance fee is calculated is a return prior to any deduction for Management costs; and
- there is no negative performance fee amounts for previous Performance Fee Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$50,000 at the beginning of the Performance Fee Period and no withdrawals were effected during the Performance Fee Period, your investment would bear a performance fee expense of approximately \$61.50 (Based on outperformance of 0.80% above 'Performance Hurdle' x Performance Fee 15.375% x \$50,000 investment = \$61.50) for the Performance Fee Period.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

### SGH Emerging Companies Fund

The performance fee is 20.50% of the amount by which the Fund exceeds the S&P/ASX Emerging Companies Accumulation Index, calculated daily and paid annually in arrears and is calculated based on the daily NAV of the Fund (with distributions reinvested). The performance fees are subject to a high-watermark (that is, no performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up).

Calculation periods end at 30 June each year although the performance fees may not be payable.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

The following is an example of the performance fee expense for a 12 month period ending 30 June ("Performance Fee Period") payable on units of the SGH Emerging Companies Fund. Terms referred to below have the same meaning as detailed in section 6. Fees and costs of the PDS for the Fund.

#### Assumptions:

- The percentage movement in the S&P/ASX Emerging Companies Accumulation Index ('Performance Hurdle') from the start of the Performance Fee Period to the end of the Performance Fee Period is 8%;
- the Fund's 'investment return' for the Performance Fee Period is 10%;
- the Fund's 'investment return' for the Performance Fee Period is assumed to accrue evenly over the course of the Performance Fee Period;
- the Fund's 'investment return' with reference to which the performance fee is calculated is a return after the deduction for Management costs; and
- there is no negative performance fee amounts for previous Performance Fee Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$50,000 at the beginning of the Performance Fee Period and no withdrawals were effected during the Performance Fee Period, your investment would bear a performance fee expense of approximately \$205.00 (Based on outperformance of 2% above 'Performance Hurdle' x Performance Fee 20.50% x \$50,000 investment = \$205.00) for the Performance Fee Period.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

### SGH Micro Cap Fund

The performance fee is 20.50% of the amount by which the Fund exceeds the Performance Hurdle of 10%, calculated daily and paid annually in arrears and is calculated based on the daily NAV of the Fund (with distributions reinvested). The performance fees are subject to a high-watermark (that is, no performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up).

Calculation periods end at 30 June each year although the performance fees may not be payable.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

The following is an example of the performance fee expense for a 12 month period ending 30 June ("Performance Fee Period") payable on units of the SGH Micro Cap Fund. Terms referred to below have the same meaning as detailed in section 6. Fees and costs of the PDS for the Fund.

#### Assumptions:

- The percentage movement in the 'Performance Hurdle' from the start of the Performance Fee Period to the end of the Performance Fee Period is 10%;
- the Fund's 'investment return' for the Performance Fee Period is 12%;
- the Fund's 'investment return' for the Performance Fee Period is assumed to accrue evenly over the course of the Performance Fee Period;
- the Fund's 'investment return' with reference to which the performance fee is calculated is a return after the deduction for Management costs; and
- there is no negative performance fee amounts for previous Performance Fee Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$50,000 at the beginning of the Performance Fee Period and no withdrawals were effected during the Performance Fee Period, your investment would bear a performance fee expense of approximately \$82.00 (Based on outperformance of 2% above 'Performance Hurdle' x Performance Fee 20.50% x \$50,000 investment = \$205.00) for the Performance Fee Period.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

### SGH Australia Plus Fund

The performance fee is 20% of the amount by which the Fund exceeds the S&P/ASX300 Accumulation Index, after management costs, calculated daily and paid annually in arrears and is calculated based on the daily NAV of the Fund (with distributions reinvested). The performance fees are subject to a high-watermark (that is, no performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up). This performance fee is subject to a cap of 1.25% in any one year.

Calculation periods end at 30 June each year although the performance fees may not be payable.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

The following is an example of the performance fee expense for a 12 month period ending 30 June ("Performance Fee Period") payable on SGH Australia Plus Fund. Terms referred to below have the same meaning as detailed in section 6. Fees and costs of the PDS for the Fund.

#### Assumptions:

- The percentage movement in the S&P/ASX 300 Accumulation Index from the start of the Performance Fee Period to the end of the Performance Fee Period is 10%;
- the Fund's performance hurdle for the Performance Fee Period is 10.7%;
- the Fund's 'investment return' for the Performance Fee Period is 13.0%;
- the Fund's 'investment return' for the Performance Fee Period is assumed to accrue evenly over the course of the Performance Fee Period;
- the Fund's 'investment return' with reference to which the performance fee is calculated is a return prior to any deduction for Management costs; and
- there is no negative performance fee amounts for previous Performance Fee Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$50,000 at the beginning of the Performance Fee Period and no withdrawals were effected during the Performance Fee Period, your investment would bear a performance fee expense of approximately \$230.00 for the Performance Fee Period. This equates to 13.0% - 10.7% = 2.3% x 20% performance fee = 0.46% performance fee.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

The Fund will cap the performance fee at a maximum of 1.25%. This means that to generate a performance fee of 1.25%, outperformance of 6.25% after fees is required, or 6.95% before fees. That is, the fund will cap performance fees once the fund outperforms the S&P/ASX300 Accumulated Index by 6.95% in any calendar year.

## ADDITIONAL EXPLANATION OF PERFORMANCE FEES

Where the aggregate amount of the daily performance fee amounts is negative, no performance fee will be reflected in the daily unit price and no performance fee will accrue until the total of the aggregate amount of the daily performance fee amount for the current Performance Fee Period and the negative balance carried forward from previous Performance Fee Periods is a positive amount.

If the aggregate of the daily performance fee amounts at the end of a Performance Fee Period is a positive amount, this positive amount is accrued as an expense and is deducted from the assets of the Fund at the end of each Performance Fee Period. The amount of the performance fee expense is paid to the Investment Manager.

Where the aggregate daily performance fee amount for a Performance Fee Period is negative, no performance fee expense will be paid to the Investment Manager, and the negative balance will be carried forward to the next Performance Fee Period.

## 7. ENQUIRIES AND COMPLAINTS

### KEEPING IN TOUCH

If you have an enquiry regarding the management of the Fund that you have invested in, please contact:

Mainstream Fund Services Pty Ltd  
 Unit Registry  
 GPO Box 4968  
 Sydney, NSW, 2001  
 Phone: 1300 133 451  
 Fax: 02 9251 3525  
 Email: SGHinvestorservices@mainstreamgroup.com  
 Website: www.mainstreamgroup.com

### MAKING A FORMAL COMPLAINT

If you are not completely satisfied with any aspect of our services regarding the management of the relevant Fund, please contact Equity Trustees. Equity Trustees seeks to resolve potential and actual complaints over the management of the Fund you have invested in to the satisfaction of investors. If you wish to lodge a formal complaint, please write to:

Compliance Team  
 Equity Trustees Limited  
 GPO Box 2307  
 Melbourne VIC 3001 Australia  
 Phone: +613 8623 5000  
 Email: compliance@eqt.com.au

Equity Trustees will seek to resolve any complaint and will respond as soon as possible and in any case, will respond within 14 days of receiving the letter. We will seek to resolve your complaint as soon as practicable but not longer than 45 days after receiving the complaint.

## THE FINANCIAL OMBUDSMAN SERVICE (“FOS”)

If we are unable to resolve your complaint, you may be able to seek assistance from FOS.

Financial Ombudsman Services  
 GPO Box 3  
 Melbourne Vic 3001 Australia  
 Telephone: 1300 780 808 (in Australia) or +613 9613 7366  
 Email: info@fos.org.au

Please include the Equity Trustees FOS membership number with your enquiry: 10395.

FOS is an independent body that can assist you if Equity Trustees cannot. FOS may not consider a dispute where the value of a person’s claim exceeds \$500,000. FOS is only able to make a determination of up to \$309,000 per managed investment claim (excluding compensation for costs and interest payments).

## 8. OTHER IMPORTANT INFORMATION

### YOUR PRIVACY

The Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees, we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing each Fund, including the Investment Manager, the administrator, custodian, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.



Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” by contacting Equity Trustees.

Equity Trustees’ Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees’ Privacy Policy is available at [www.eqt.com.au](http://www.eqt.com.au). You can contact Equity Trustees’ Privacy Officer on +61 3 8623 5000, or email [privacy@eqt.com.au](mailto:privacy@eqt.com.au) to request a copy.

## THE CONSTITUTION

Each Fund is governed by a constitution (“Constitution”) that sets out how the Fund must operate, and together with the PDS, the Corporations Act and other laws, regulates the Responsible Entity’s legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. You can request a copy of the Constitution, free of charge. Please consider these documents before investing in the Fund. We may amend the Constitutions from time to time in accordance with the provisions in each Constitution and the Corporations Act.

## ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING (“AML/CTF”)

Australia’s AML/CTF laws require Equity Trustees to adopt and maintain an AML/CTF program. A fundamental part of the AML/CTF program is that Equity Trustees knows certain information about investors in the Funds.

To meet this legal requirement, we need to collect certain identification information and documentation (“KYC Documents”) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs. Equity Trustees shall not be liable for any loss you may suffer because of compliance with AML/CTF laws. If you apply for units via mFund you may be required to provide the KYC documents to your broker (rather than the administrator).

## INDIRECT INVESTORS

You may be able to invest indirectly in a Fund via a master trust or wrap account (commonly known as an IDPS) by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator. The Responsible Entity is not responsible for the operation of any IDPS. This will mean that you are an Indirect Investor in a Fund and not a unit holder or member of a Fund. Indirect Investors do not acquire the rights of a unit holder as such, rights are acquired by the IDPS Operator who then can exercise, or decline to exercise, these rights on your behalf.

Your rights and terms and conditions as an Indirect Investor should be set out in the disclosure document issued by the IDPS Operator.

## INFORMATION ON UNDERLYING INVESTMENTS

Information regarding the underlying invests of a Fund will be provided to a member of that fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the member to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

## NET ASSET VALUE (“NAV”) FOR THE FUNDS

The NAV for the Funds is available at <http://www.eqt.com.au/business-partners/mfund-product-issuer>

## FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”)

In April 2014, the Australian Government signed an intergovernmental agreement (“IGA”) with the United States of America (“U.S.”), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (“ATO”). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in a Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If a Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of a Fund.

## COMMON REPORTING STANDARD (“CRS”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. From 1 July 2017, Australian financial institutions will need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

**ATTRIBUTION MANAGED INVESTMENT TRUSTS (“AMITs”)**

The Constitution provides, where separate classes of units are on issue in respect of a Fund, for income allocation to take into account any impact of the currency overlay that may be in place for the respective classes. The quantum of the distribution is sought to be determined on a standalone basis. Prior to the AMIT multi-class election being made (as described below), the Fund is treated as a single taxpayer. As any separate classes of units would not currently be treated as separate taxpayers, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class. The Constitution provides a mechanism to seek to minimise this outcome. In so far as possible, where separate classes of units are on issue, the Constitution seeks to quarantine the income associated with a particular class to that class.

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITs. Trusts that meet the eligibility criteria to be an AMIT may elect into the AMIT rules. Where eligible, Equity Trustees is intending that an election into AMIT be made in respect of the Fund and thereafter the following will apply:

**Fair and reasonable attribution:** Each year, the Fund’s determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a “fair and reasonable” attribution basis, rather than being allocated proportionally based on each investor’s present entitlement to the income of the Fund.

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

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

**Large redemptions:** In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming investor.

**Multi-class AMITs:** A choice is available to elect to treat separate classes of units as separate AMITs.

**Penalties:** In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors.

## 9. GLOSSARY

### ATO

Australian Taxation Office

### AUSTRAC

Australian Transaction Reports and Analysis Centre

### Business Day

A day other than a Saturday or Sunday on which banks are open for general banking business in Melbourne or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the administrator performs such functions.

### Corporations Act

The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth) and as amended from time to time

### Fund

Means SGH ICE, SGH20, SGH Australia Plus Fund, SGH Property Income Fund, SGH Emerging Companies Fund, SGH Micro Cap Fund, SGH LaSalle Global Listed Property Securities Fund and/or SGH LaSalle Global Property Rich Fund.

### FATCA

US Foreign Account Tax Compliance Act

### GST

Goods and Services Tax

### IDPS

Investor Directed Portfolio Service. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

### IDPS Operator

The entity responsible for managing an IDPS

### Indirect Investors

Individuals who invest in a Fund through an IDPS

### mFund

The mFund Settlement Service

### NAV

Net Asset Value. The value of the assets of the Fund less the value of the liabilities of the Fund

### RITC

Reduced Input Tax Credit. Equity Trustees will apply for RITCs where applicable to reduce the cost of GST to a Fund

### US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- a) any citizen of, or natural person resident in, the US, its territories or possessions; or
- b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- c) any agency or branch of a foreign entity located in the US; or
- d) a pension plan primarily for US employees of a US Person; or
- e) a US collective investment vehicle unless not offered to US Persons; or
- f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or
- i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

### We, us

Refers to Equity Trustees

### Wholesale Client and Retail Client

Persons or entities defined as such under section 761G of the Corporations Act

### You, your

Refers to an investor