

# SGH LaSalle Concentrated Global Property Fund



SG HISCOCK & COMPANY

## Product Disclosure Statement

mFund SHF06  
ARSN 167 460 817  
APIR ETL0394AU  
Issue Date 30 August 2019

### 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 SGH LaSalle Concentrated Global Property Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the SGH 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 LaSalle Concentrated Global Property Fund works
3. Benefits of investing in the SGH LaSalle Concentrated Global Property 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) 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) 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.

#### Investment Manager

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

#### Sub-Investment Manager

LaSalle Investment Management Securities, LLC

#### Administrator

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

#### Responsible Entity

Equity Trustees Limited  
ABN 46 004 031 298, AFSL 240975  
GPO Box 2307  
Melbourne VIC 3001  
Phone: +61 3 8623 5000  
Website: [www.eqt.com.au/insto](http://www.eqt.com.au/insto)

# 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, staff and associates. SGH has appointed LaSalle Investment Management Securities, LLC under a sub-investment agreement to undertake the portfolio management of the SGH LaSalle Concentrated Global Property Fund.

## The Sub-Investment Manager

### LaSalle Investment Management Securities, LLC

LaSalle Investment Management Securities, LLC (LaSalle) is a fully-dedicated manager of real estate securities portfolios and is part of LaSalle Investment Management, Inc., a wholly-owned yet operationally independent investment subsidiary of Jones Lang LaSalle Incorporated. LaSalle has been conducting the portfolio management for the Fund under a sub-investment management agreement with SGH since 2014. LaSalle's sole focus is publicly traded real estate entities such as Real Estate Investment Trusts ("REITs") and Real Estate Operating Companies ("REOCs"). LaSalle's investment philosophy combines a real estate investment orientation with a valuation-based investment discipline. LaSalle's principal office is located in Baltimore, Maryland (US). LaSalle also has offices in Amsterdam and Hong Kong.

# 2. How the SGH LaSalle Concentrated Global Property 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.

If you invest in the Fund through an IDPS (as defined in the Reference Guide) you will not become an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the PDS applies to direct investors.

## Applying for units

You can acquire units by completing the Application Form that accompanies this PDS or by making an application through the mFund settlement service ("mFund") by placing a buy order for units with your licensed broker. The minimum initial investment amount for the Fund is \$20,000.

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.

If applying via mFund you will need to provide the application money directly to your licensed broker.

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 0.25%.

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 or by making application for units through mFund. The minimum additional investment into the Fund is \$5,000. Forms are available at [www.sghiscock.com.au](http://www.sghiscock.com.au). You can also invest via direct debit on a monthly basis using the savings plan. Details of how to invest through the savings plan are in the SGH Reference Guide. The minimum monthly savings plan investment into the Fund is \$500.

## 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.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

### 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

Or by making a withdrawal request through mFund by placing a sell order for units with your licensed broker.

The minimum withdrawal amount is \$5,000. Withdrawal forms are available at [www.sghiscock.com.au](http://www.sghiscock.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) or if the withdrawal is received via mFund.

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 or, where the request is received via mFund, to the investor's licensed broker. 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 0.25%.

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 \$20,000 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.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

### 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;
- Savings Plan
- 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). 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 LaSalle Concentrated Global Property Fund

The Fund is an actively managed portfolio that invests primarily in property securities known as REITs (Real Estate Investment Trusts) and REOCs (Real Estate Operating Companies) globally which are listed on major world stock exchanges in the US, Canada, Western Europe, Asia and Australia, and select emerging markets. The investments held by the Fund derive a bulk of their income from property rental income and real estate operations. The portfolio seeks to provide total return through long-term capital appreciation and current income by investing primarily in equity and equity-related securities issued by Australian and international property companies. It provides investors with exposure to attributes of property ownership along with liquidity offered by tradable securities through an active management approach by focusing on select investment opportunities with compelling valuations due to deep value, property sector or market dislocation, underappreciated growth prospects, or identifiable catalysts.

Benefits of investing in the Fund include:

- Proven investment professionals: access to the expertise of a specialist investment boutique structure in SGH and a dedicated global property securities manager in LaSalle;
- Broad opportunity set: Large investable universe comprising REITs and REOCs listed on major world stock exchanges in US, Canada, Western Europe, Asia and Australia, and possibly select emerging markets including some of the best properties and operators;
- Liquidity: Significant liquidity offered by tradeable securities as compared to investing directly in property.
- Active management: Access to a portfolio that seeks to maximize competitive returns by taking positions in select securities which are determined to have most compelling valuations due to deep value, property sector or market dislocation, underappreciated growth prospects, or identifiable catalysts.
- By investing in the Fund, investors get the benefit of global diversification due to a much bigger investable universe comprising Australian and international securities; 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.

### Sector selection risk

The Investment Manager and Sub-Investment Manager may make poor investment decisions resulting in sub-standard returns (for example, where the Investment Manager or Sub-Investment Manager gains exposure to a sector which significantly underperforms relative to other sectors). This risk is mitigated to some extent by the knowledge and experience of the Investment Manager and Sub-Investment Manager.

### Investment specific risk

There may be instances where an investment in which the Fund invests will fall in price because of investment specific factors (for example, where a company is engaged in a riskier development project). The value of investments can vary because of changes to management, product distribution, investor confidence, internal operations or the company's business environment.

### Concentration risk

The concentrated nature of the investments will reduce the potential benefit of diversification. The potential benefit of diversification is to reduce volatility of investments. As the Fund has a concentrated portfolio of investments it may experience higher volatility than a more diversified portfolio.

### Property related risk

The securities in which the Fund invests generally invest the bulk of their assets in direct property assets and have a certain level of debt funding. Direct property assets held by these securities can be illiquid and can change materially in value as a result of a change in economic conditions, demand and supply influences, government, legal and other influences. As a result, valuations and/or the level of income from properties can change. In addition, the level of debt in REITs magnifies the risk associated with changes in cash flow and direct property values.

### Emerging markets risk

The Fund may also hold investments in emerging markets, which are markets in certain countries which may not be as developed, efficient or liquid as in Australia or New Zealand. Therefore, the value of securities in these markets may often be more volatile. Emerging markets risk is also caused by exposure to economic structures that are less diverse and mature, and to political systems that are less stable, than those of developed countries. In addition, issuers in emerging markets may experience a greater degree of change in earnings and business prospects than would companies in developed markets.

### Currency risk

The Fund will 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. 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

The Fund will use derivatives for risk management purposes. 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. Fluctuations in the price of derivatives reflect movements in the underlying assets, reference rate or index to which the derivatives relate. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security. Derivatives are also used as substitutes for physical securities. In doing so there is the risk that a derivative may not be a perfect substitute for the underlying security it aims to replace, and may not mirror its movements completely.

Other risks associated with derivatives may include:

- loss of value because of a sudden price move or because of the passage of time;
- potential illiquidity of the derivative;
- the Fund being unable to meet payment obligations as they arise;
- the counterparty to any derivative contract not being able to meet its obligations under the contract; and
- significant volatility in prices.

Note that neither the Responsible Entity, the Investment Manager nor the Sub-Investment Manager guarantee that the Fund's derivatives strategy will be successful.

### 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). 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 seeks to provide total return through long-term capital appreciation and current income by investing primarily in equity and equity-related securities issued by Australian and international property entities. It provides investors exposure to attributes of property ownership along with liquidity offered by tradable securities. The Fund focuses on select investment opportunities with compelling valuations due to deep value, property sector or market dislocation, underappreciated growth prospects, or identifiable catalysts.

## Performance Hurdle

8% per annum (after Management Fees)

Please note the Performance Hurdle is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.

## Minimum suggested time frame

The minimum suggested investment time frame for the Fund is 5 to 7 years.

## Risk level of the Fund

High

There is a risk investors may lose some or all of their 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 designed for investors seeking:

- an investment in property but requiring greater diversity and liquidity than a direct investment in property;
- an exposure to the international property market via listed international property securities; and
- a higher tolerance for risk and a longer term investment time horizon.

The Fund invests primarily in listed securities which derive the bulk of their income from property rental income, and aims to achieve strong income returns and moderate capital growth over the medium and longer term.

## Investment strategy

The investment management of the Fund is in two parts:

- The overall investment manager is SGH who is responsible for the currency management.
- The management of global investments is sub-delegated to LaSalle.

The Fund invests primarily in global listed property securities and companies which are listed on recognised securities exchanges around the world and which derive the bulk of their income from rental property income.

Listed property entities are generally known as Real Estate Investment Trusts ("REITs") and Real Estate Operating Companies ("REOCs"). A REIT is a listed company or trust traded on a securities exchange dedicated to owning and, in most cases, operating income-producing real estate, such as apartments, shopping centres, offices and warehouses. A REOC is a company that is similar to a REIT, except that a REOC has not elected to be taxed as a REIT and, therefore, does not have a requirement to distribute any of its taxable income. REOCs also are more flexible than REITs in terms of the types of real estate investments they can make.

## Investment guidelines

The Investment Manager and Sub-Investment Manager will use the following guidelines when selecting investments for the Fund:

- Investments in a portfolio that targets between 10 – 20 stocks that are listed or due to be listed on an approved stock exchange.
- Maximum allocation to an individual stock is 20% of the Fund's net assets.

## Asset allocation:

Min Max

Cash	0%	100%
Global Property Securities (inc Australia)	0%	100%

- The international currency exposure of the Fund will be hedged back into Australian dollars.
- Invest no more than 5% of the portfolio in unlisted property entities provided they have publicly announced their intention to list on an approved stock exchange within 6 months of the date of such announcement or are secondary issues of an existing listed entity expected to list on an approved stock exchange within 3 months.
- The Fund may use derivatives provided the portfolio is not leveraged and a net short position in any single entity or the portfolio as a whole cannot be created. The maximum gross exposure of the portfolio to derivatives shall be limited to 10%, with the exception of currency derivatives used to hedge the Fund's foreign exchange exposure, which shall have no limit.

## Labour, environmental, social and ethical considerations

The Sub-Investment Manager, which is a signatory to the United Nations Principles for Responsible Investment, recognises the importance of environmental, social, and corporate governance ("ESG") as part of its evaluation of business strategy risks of listed property entities. There is no specific screening process for ESG factors employed by the Sub-Investment Manager. However, an ESG matter may be implicitly recognised through the Sub-Investment Manager's valuation process in evaluating business strategy risk of the applicable property entity.

## 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), 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 \(ASIC\)](http://www.australiansec.gov.au) 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>	<b>Management fees:</b> 0.70% p.a. of the NAV of the Fund <sup>2</sup> <b>Indirect costs:</b> 0% p.a. of the NAV of the Fund <sup>3</sup> <b>Performance fee:</b> 20% of the amount by which the Fund's performance exceeds the Performance Hurdle of 8% per annum (after Management Fees) <sup>4</sup>

<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 2019. 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, indirect costs and performance fees.

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

### Management fees

The management fees of 0.70% 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 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 2019.

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.eqt.com.au/insto](http://www.eqt.com.au/insto) 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 Hurdle of 8% per annum (after Management Fees). The performance fee is 20% of this excess, calculated daily and paid annually in arrears from the Fund and calculated based on the beginning NAV unit price of the Fund over the relevant period.

Performance fees are subject to a high-water mark which means no performance fees are payable until:

- The NAV unit price of the Fund as at the end of the relevant performance fee period is greater than the NAV unit price 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, as against the performance hurdle, from prior periods has been made up;
- This is collectively referred to as the high-water mark.

Note that the NAV unit price as at the end of the relevant performance fee period is adjusted for any change in the NAV unit price as a result of any distributions paid 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 fees, the Responsible Entity has estimated that the performance fees payable per annum may be \$200 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 performance hurdle. 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 the 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 the 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 0.25% upon entry and 0.25% upon exit. The dollar value of these costs based on an application or a withdrawal of \$20,000 is \$50 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 2019, the total transaction costs for the Fund were estimated to be 0.24% of the NAV of the Fund, of which 11% 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.

### Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor. If the payment of annual fees to IDPS Operators is limited or prohibited by the law, Equity Trustees will ensure the payment of such fees is reduced or ceased.

### 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.

### mFund

Warning: if you are transacting through mFund your stockbroker or accredited intermediary may charge you additional fees (see their Financial Services Guide).

### 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 LaSalle Concentrated Global Property Fund		
BALANCE OF \$50,000 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	1.10% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$550 each year comprising:
<b>Comprising:</b>		
Management fees:	0.70% p.a.	\$350
Indirect costs:	0% p.a.	\$0
Performance fees:	0.40%	\$200
<b>Equals</b>		
Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$550* <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 \$50,000 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 fee stated in this table shows the estimated performance fee (assuming it is payable for a 12 month period) 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 SG Hiscock's website at [www.sghiscock.com.au](http://www.sghiscock.com.au). 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). 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). 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)

If applying via mFund you will need to provide the application money directly to your licensed broker.

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. Investors investing through an IDPS should use the application form provided by their IDPS Operator.

### 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). 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.

### mFund Settlement Service

You must use a mFund accredited and licensed broker to facilitate your transactions on mFund. Your chosen broker may charge you additional fees which are not outlined in Section 6 of 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 ("AML/CTF");
- NAV for the Fund;
- Indirect Investors;
- 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). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.