

## Product Disclosure Statement

ARSN 641 019 418

Morgan Stanley Global Quality Fund APIR ETL8936AU mFund SHF08

Morgan Stanley Global Quality Fund (Hedged) APIR ETL5737AU

Issue Date 11 November 2022

### About this PDS

This Product Disclosure Statement ("PDS") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity") and is a summary of the significant information relating to an investment in the Morgan Stanley Global Quality Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the Morgan Stanley Reference Guide ("Reference Guide"), which forms part of this PDS. The Fund comprises two classes of units: Morgan Stanley Global Quality Fund (APIR code: ETL8936AU), and Morgan Stanley Global Quality Fund (Hedged) (APIR code: ETL5737AU). The Responsible Entity may in future issue further classes of units in the Fund. 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.

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### 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 on the day you acquire the product.

### 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

Phone: 1300 555 511 or +61 3 9612 4600

Email: [enquiries@sghiscock.com.au](mailto:enquiries@sghiscock.com.au)

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#### Sub-Investment Manager

Morgan Stanley Investment Management

(Australia) Pty Limited

ACN 122 040 037

AFSL 314182

#### Administrator

Mainstream Fund Services Pty Ltd

Unit Registry

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Sydney, NSW, 2001

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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

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Melbourne VIC 3001

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# 1. About Equity Trustees Limited

## The Responsible Entity

### Equity Trustees Limited

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

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

## The Investment Manager

### SG Hiscock & Company Limited

SG Hiscock & Company ABN 51 097 263 628 AFSL 240679 ("SGH" or "Investment Manager") is a boutique investment manager specialising in high conviction, actively managed investment strategies.

SGH was established in Melbourne in 2001 by six of its principals and is entirely owned by directors, staff and associates. SGH has appointed Morgan Stanley Investment Management (Australia) Pty Limited under a sub-investment agreement to undertake the portfolio management of the Morgan Stanley Global Quality Fund.

## The Sub-Investment Manager

### Morgan Stanley Investment Management (Australia) Pty Limited

Morgan Stanley Investment Management (Australia) Pty Limited ACN 122 040 037 AFSL 314182 ("Sub-Investment Manager") is the Australian business of Morgan Stanley Investment Management ("MSIM") which is the asset management division of Morgan Stanley and leads the firm's work in global investment, offering investment and risk management solutions to investors worldwide. As of March 31, 2021, MSIM managed US\$1.4 trillion in assets for its clients. The investment strategies span the risk/return spectrum across geographies, investment style and asset classes including equity and fixed income, alternatives and private markets. The Morgan Stanley Global Quality strategy is managed by MSIM's International Equity Team. Investing in quality companies has underpinned the International Equity team investment approach for over 20 years.

# 2. How the Morgan Stanley Global Quality 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 in the relevant class of the Fund when they invest.

Under this PDS, investors can choose from two classes of units (each referred to as a "Class" throughout the PDS):

- Morgan Stanley Global Quality Fund, and
- Morgan Stanley Global Quality Fund (Hedged).

In general, each unit represents an equal interest in the assets referable to the relevant class 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

There are several ways to invest in the Fund. You can acquire units by completing the Application Form that accompanies this PDS, completing the application process online (New investors only) 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 each Class is \$20,000.

See Section 8 "How to Apply" of this PDS and Morgan Stanley Reference Guide for further information.

If completing the application process online, please go to [www.sghiscock.com.au](http://www.sghiscock.com.au) for further instructions.

Please note that all monies deposited by direct credit, direct debit or cheque must match the amount specified on the Application Form for an application to be valid. 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.

## Application Price

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 Class, divided by the number of units on issue for that Class and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.20%.

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

## Making additional investments

You can make additional investments into a Class 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 a Class of the Fund is \$5,000 or \$500 if paying by BPAY. Forms are available at [www.sghiscock.com.au](http://www.sghiscock.com.au).

## Switching between classes

If an investor wishes to switch classes please submit a switching request form available at [www.sghiscock.com.au](http://www.sghiscock.com.au).

## Distributions

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

The Fund usually distributes income annually at the end of June. 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.

## Distribution Options

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

- reinvested back into the Fund; or
- directly credited to their AUD 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 withdrawal form available at [www.sghiscock.com.au](http://www.sghiscock.com.au) 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 send 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 for a Class is \$5,000. 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 21 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.

### Cut-off times for processing transactions

If we receive all required application or redemption documents before or at 2pm (Melbourne time) on a Business day, and your request is accepted by the Fund's administrator Mainstream Fund Services, we will process the transaction using that day's application or redemption price. Requests received after 2pm (Melbourne time) on a Business day or non-Business day will generally be treated as having been received before the cut-off time on the next Business day.

Different cut-off times apply if you are transacting via mFund. Please contact Mainstream Fund Services or your stockbroker for more information.

### Unit Pricing

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 Class, divided by the number of units on issue for that Class and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.20%.

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

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Class 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;
- Online applications;
- BPAY®;
- Direct Debit Service Agreement;
- Authorised signatories;
- Reports;
- Withdrawal cut-off times;
- Withdrawal terms; and
- Withdrawal restrictions.

under the "Investing in the Morgan Stanley Funds", "Direct Debit Service Agreement", "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 Morgan Stanley Global Quality Fund

### 1. Long-Term Return Potential

MSIM believes well-managed enduring high quality companies can offer attractive long-term returns. The companies in which MSIM invests capitalise on their strong intangible assets and robust balance sheets which MSIM believes positions them to compound investor wealth.

### 2. Defensive Characteristics

MSIM believes the Fund offers defensive characteristics in tough economic conditions. The Fund has historically delivered lower absolute volatility than traditional benchmarks over the long-term as well as relative downside protection.

### 3. Truly Active Management

MSIM's high conviction, concentrated portfolio is very different from the benchmark.

### 4. Managing the Risks that Matter

MSIM worry about absolute risk – permanent loss of capital. MSIM make no attempt to reduce short term volatility compared with equity indices, with the belief indices themselves may be inherently risky.

### 5. A Track Record of Quality Investing

MSIM's tried and tested process has helped identify quality companies and management teams for over two decades. MSIM aims to buy the shares of these companies at attractive valuations relative to the cash-flow based fundamental values.

### 6. Global Diversification

By investing in the Fund, investors get the benefit of global diversification due to a much bigger investable universe comprising international securities.

## 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 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.

### Management risk

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

### Concentration risk

The concentrated nature of the investments will reduce the potential benefit of diversification. The Fund will invest in a concentrated portfolio of investments and it may experience higher volatility than a more diversified portfolio.

### Currency risk

The Fund will invest in securities listed on non-Australian exchanges denominated in currencies other than Australian dollars. If these currencies change in value relative to the Australian dollar, the value of the investment can change.

The Investment Manager will hedge currency exposures in the Morgan Stanley Global Quality Fund (Hedged) class to reduce the risk of adverse fluctuations in the value of the Australian dollar relative to other currencies.

### Equity securities and market risk

In general, prices of equity securities are more volatile than those of fixed income securities and can go down as well as up. The prices of equity securities fluctuate, and sometimes widely fluctuate, in response to activities specific to the issuer of the security as well as factors unrelated to the fundamental condition of the issuer, including general market, economic and political conditions.

### Derivatives risk

The Morgan Stanley Global Quality Fund (Hedged) class may use derivatives to seek to reduce exposures to international currency volatility. However, the Hedged class can suffer losses in excess of the amounts committed to derivatives. The Hedged class will also be exposed to the risk that a derivative may not necessarily reflect the performance of the underlying asset to which it is exposed, or that the counterparty to a derivative may default on its obligations and be unable to repay collateral. Note that neither the Responsible Entity, the Investment Manager nor the Sub-Investment Manager guarantee that the Fund's derivatives strategy will be successful.

### Emerging markets risk

The Fund may hold investments in emerging markets, which are markets in certain countries which may not be as developed, efficient or liquid as in Australia or other developed markets. 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.

### Fund risk

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

The Fund is exposed to share markets which are subject to market fluctuations. The NAV of the Fund may vary as the market value of the Fund's assets and liabilities rises and falls and the investor may not get back the amount they have invested.

### Investment specific risk

This risk is inherent in a particular company's or sector's performance due to factors that are related to them. The value of investments can vary because of changes to management, product distribution, investor confidence, internal operations or the company's business environment.

### Regulatory and legal risk

Regulators are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Fund could be substantial and adverse.

There is also 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 due to unforeseen market or economic conditions (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 Sub-Investment Manager has attempted to mitigate the liquidity risk factor by ensuring that the Fund has sufficient cash exposure to meet expected liquidity requirements. Note that neither the Responsible Entity nor the Investment Manager or Sub-Investment Manager guarantee the liquidity of the investments of the Fund in which you have invested.

### Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

## 5. How we invest your money

### Investment objective

The Fund seeks to provide an attractive long-term rate of return. To achieve the investment team's aim of compounding investor wealth at attractive rates of return over the long term, the Environmental, Social, and Governance (ESG) integrated strategy focuses on high-quality, resilient, well-managed companies. The investment team uses bottom-up fundamental analysis. Given the scarcity of high-quality companies that also demonstrate reasonable valuations, the Fund is a fairly concentrated portfolio (35-55 stocks).

### Benchmark

Morgan Stanley Global Quality Fund: MSCI World (Net) Index

Morgan Stanley Global Quality Fund (Hedged): MSCI World (Net) Index – hedged to AUD

### Minimum suggested time frame

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

### Risk level of the Fund

High

There is a risk investors may lose some or all of their initial investment. Higher risk investments tend to fluctuate in the short term but can produce higher returns than lower risk investments over the long term. This grading is not intended to be a guarantee of any actual level of risk or an indication of likely returns.

### Investor suitability

The Fund may be suitable for investors seeking the potential for capital appreciation over the long-term and geographic diversification for their equity investments and can accept the volatility associated with investing in equities as well as the special risks that accompany global investing.

## Investment strategy

The investment management of the Fund is in two parts:

- The investment manager is SGH who is responsible for the currency management; and
- The management of the global investments is sub-delegated to the Sub-Investment Manager.

The Fund invests primarily in a concentrated portfolio of equity securities of companies in the world's developed countries. The Fund may from time to time also invest in equity securities of companies located in emerging markets, in debt securities convertible into equity securities, and other equity-linked securities.

Companies whose equity securities are chosen for inclusion in the portfolio will, in the opinion of the Sub-Manager, typically possess the following characteristics:

- Resilient franchises/intangible assets
- Domestic/international growth potential
- Low capital intensity
- High free-cash generation: repeat business
- Financial strength: comfortable coverage of fixed charges; and
- Capable management

## Investment guidelines

The following guidelines will be used when selecting investments for the Fund:

- The Fund will hold equity and equity related securities which are traded, listed or due to be listed on recognised exchanges throughout the world.
- The portfolio will typically hold between 35 to 55 securities.
- A maximum of 7% of the portfolio may be invested in any one company.
- The portfolio will not purchase more than 10% of the outstanding securities of any one company.
- A maximum of 10% of the portfolio may be invested in unlisted securities.

(Note: Percentage restrictions apply at the date of purchase of the relevant security)

## Asset Allocation

The Fund aims to be fully invested in equities, however at times the Fund may hold cash or cash equivalents for transactional purposes.

	Min	Max
Global equities	90%	100%
Cash	0%	10%

The international currency exposure of the Morgan Stanley Global Quality Fund (Hedged) will be hedged back to the Australian dollar.

## Labour, environmental, social and ethical considerations

The investment process focuses on the sustainability and direction of a company's long term returns on capital. Environmental, Social and Governance (ESG) considerations are a fundamental and integrated part of this process as the Sub-Investment Manager believes material weaknesses in any of the ESG areas can potentially threaten the long-term sustainability of a company's returns. Conversely, the Sub-Investment Manager believes that companies with good governance and the ability to lead the way on social and environmental issues can be a positive force for corporate success, driving consumer loyalty, employee retention and stakeholder engagement. Therefore incorporating ESG considerations is essential for successful long-term compounding.

## 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 [enquiries@sghiscock.com.au](mailto:enquiries@sghiscock.com.au) or calling SGH on +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 investment 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 fees. 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) Moneysmart** 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 Fees and Costs Summary 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.

## Fees and Costs Summary

Morgan Stanley Global Quality Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs</i> The fees and costs for managing your investment <sup>2</sup>	Unhedged Class – 1.18% of the NAV of the Class  Hedged Class – 1.18% of the NAV of the Class	The management fees component of management fees and costs are accrued daily and paid from the Class monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Class as they are incurred.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	Unhedged Class – 0.00% of the NAV of the Class  Hedged Class – 0.00% of the NAV of the Class	Transaction costs are variable and deducted from the Class as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.

**Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)**

Morgan Stanley Global Quality Fund		
Type of fee or cost	Amount	How and when paid
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Unhedged Class – 0.20% upon entry and 0.20% upon exit Hedged Class – 0.20% upon entry and 0.20% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable
<i>Switching fee</i> The fee for changing investment options	Not applicable	Not applicable

<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 the relevant fees and costs are calculated.

<sup>2</sup> The management fee component of management fees and costs can be negotiated. See “Differential fees” in the “Additional Explanation of Fees and Costs” below.

## Additional Explanation of Fees and Costs

### Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 1.18% p.a. of the NAV of the Unhedged Class and 1.18% p.a. of the NAV of the Hedged Class is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Class monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Class may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2022.

Actual indirect costs for the current and 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.

### Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred 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 that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Class will incur when buying or selling assets of the Class. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption and not paid to Equity Trustees or the Investment Manager.

Morgan Stanley Global Quality Fund	Estimated Buy/Sell Spread	The dollar value of these costs based on an application or a withdrawal of \$20,000
Morgan Stanley Global Quality Fund – Unhedged Class	0.20% upon entry and 0.20% upon exit	\$40.00 (application) and \$40.00 (withdrawal)
Morgan Stanley Global Quality Fund – Hedged Class	0.20% upon entry and 0.20% upon exit	\$40.00 (application) and \$40.00 (withdrawal)

The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.eqt.com.au/insto](http://www.eqt.com.au/insto) will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Class’s assets and are reflected in the Class’s unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Unhedged Class are 0.02% p.a. of the NAV of the Class and are 0.02% p.a. of the NAV of the Class for the Hedged Class, which is based on relevant costs incurred during the financial year ended 30 June 2022.

However, actual transaction 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. The current maximum management fee to which Equity Trustees is entitled is 2.00% of the GAV of the Class. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days’ notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also 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, without notice.

## 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 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. Please contact the Investment Manager on +61 3 9612 4600 for further information.

## 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 an investment option

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

EXAMPLE – Morgan Stanley Global Quality Fund – Hedged Class		
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
Plus Management fees and costs	1.18% p.a.	And, for every \$50,000 you have in the Morgan Stanley Global Quality Fund – Hedged Class you will be charged or have deducted from your investment \$590 each year
Plus Performance fees	Not applicable	And, you will be charged or have deducted from your investment \$0 in performance fees each year
Plus Transaction costs	0.00% p.a.	And, you will be charged or have deducted from your investment \$0 in transaction costs
Equals Cost of Morgan Stanley Global Quality Fund – Hedged Class		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 and costs of: \$590* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\* 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.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

**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 indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

## Further reading

You should read the important information in the Reference Guide about fees and costs under the "Fees and other 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 in the Reference Guide 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

Before completing the Application Form or Additional Investment Form, please ensure you have read this PDS together with the Reference Guide available from [www.sghiscock.com.au](http://www.sghiscock.com.au).

### New investors:

- Complete the application process on-line (please visit [www.sghiscock.com.au](http://www.sghiscock.com.au) for further instructions)
- Complete the Application Form accompanying the PDS (details are in the Application Form) and post it to Mainstream Fund Services Pty Ltd, Unit Registry, GPO Box 4968, Sydney, NSW 2001 or email the form to: [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com); with your payment by:
  - Transfer the application money electronically to the Fund
  - Direct Debit (for initial investment only)
  - Cheque
- Making an application through mFund by placing a buy order for units with your licensed broker. If applying via mFund you will need to provide the application money directly to your licensed broker.

### Existing investors and additional applications:

Additional investment can be made into an existing account at any time. The process for existing investors or making an additional investment is to complete an Additional Investment Form available at [www.sghiscock.com.au](http://www.sghiscock.com.au); and post or email it to Mainstream Fund Services Pty Ltd with your payment by:

- BPay (no form is required)
- Transfer the application money electronically to the Fund
- Cheque

You can also make an additional application through mFund.

Please note that cash cannot be accepted and all applications must be made in Australian dollars. All monies deposited by direct credit, direct debit or cheque must match the amount specified on the Application Form or the Additional Investment Form for the application to be valid.

## 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.

## Cooling-off rights

If you are a Retail Client who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

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

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 the 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 the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of an investor in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard.

## Enquiries

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.

## Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472  
Post: Equity Trustees Limited  
GPO Box 2307, Melbourne VIC 3001  
Email: [compliance@eqt.com.au](mailto:compliance@eqt.com.au)

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:  
Online: [www.afca.org.au](http://www.afca.org.au)  
Phone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

## Online access

You can access information about your investment in the Fund through the SGH online Investor Portal at [www.sghiscock.com.au](http://www.sghiscock.com.au) or contacting SGH Investors Services on phone: 1300 133 451 or +61 2 8259 8888 or email [SGHinvestorservices@mainstreamgroup.com](mailto:SGHinvestorservices@mainstreamgroup.com).

# 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");
- Common Reporting Standard ("CRS"); and
- Enquiries.

under the "Other important information" and "Enquiries" 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.