

# SGH Medical Technology Fund



## Product Disclosure Statement

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SG HISCOCK & COMPANY

### 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 Medical Technology Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the SGH Medical Technology Fund 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.

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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 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.

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# 1. About Equity Trustees Limited

## The Responsible Entity

### Equity Trustees Limited

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

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

## The Investment Manager

### SG Hiscock & Company Limited

SG Hiscock & Company ("SGH" or "Investment Manager") is a boutique investment manager specialising in high conviction, actively managed investment strategies 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.

# 2. How the SGH Medical Technology Fund works

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

## Applying for units

There are several ways to invest in the Fund. You can acquire units by completing the Application Form that accompanies this PDS. The minimum initial investment amount for the Fund is \$20,000.

See Section 8 "How to Apply" of this PDS and the SGH Medical Technology Fund 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 Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.35%.

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

## Making additional investments

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Additional Investment Form. The minimum additional investment into the Fund is \$5,000 or \$500 if paying by BPAY. Forms are 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 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.

## 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); send it by fax to +61 2 9251 3525.

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).

A minimum of 30 days' written notice is required, or as otherwise determined by the Responsible Entity. Withdrawal requests must be received on or before 2pm on the last Business Day of the preceding month in order to receive the withdrawal price applicable to the next month's valuation date (for withdrawals) for a particular month. For example a withdrawal request that is received before cut off time 2pm on 31 March will receive the 30 April month Valuation Date for withdrawals. A withdrawal request received after 2pm on 31 March will receive the 31 May Valuation Date withdrawal price.

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

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

## Cut-off times for processing applications

If we receive all required application 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 price. Application 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.

## Segregation of unlisted assets in a Side Pocket

Where considered appropriate to assist with the management of Liquidity Risk or otherwise in the interests of members of the Fund, the Responsible Entity may segregate certain unlisted assets or groups of unlisted assets. These are assets that the Responsible Entity and Investment Manager have deemed as not being readily realisable at market value (illiquid assets) and either:

- have increased significantly in value as a percentage of the portfolio valuation resulting in the Fund no longer able to meet its investment guidelines; OR
- are impaired assets (i.e. where the asset is illiquid, a reduction in asset value has occurred and it is difficult to determine the market value).

In these circumstances, such assets (or part thereof) will be transferred to a "Side Pocket" and held for the benefit of each investor in the Fund at the time. Units in the Side Pocket will be issued to those investors at that time in proportion to their unit holding in the Fund (excluding any existing Side Pocket units). Subsequent applications to the Fund will not have exposure to previously segregated assets or be issued units in an existing Side Pocket.

An investor will not be able to redeem their units in such a Side Pocket until the Responsible Entity provides all holders of units in the Side Pocket with at least 10 Business Days' notice that they may redeem the units at the date set out in the notice (which is not more than 30 days after the date of the notice) following the earlier of

- realisation of all assets in the Side Pocket; and
- the Responsible Entity has determined that the assets are able to be realised at market value to satisfy such redemptions and can be independently valued.

Units in a Side Pocket will be redeemed at a unit price reflecting the value of the assets in the Side Pocket and the number of units on issue in it.

The Responsible Entity has no obligation to give such a notice. The Responsible Entity may, without limitation, make a distribution of the proceeds from realisation of the Side Pocket assets to the relevant investors in cash or cash equivalents. Management fees (including Performance Fees) relating to assets in a Side Pocket will be accrued in the Side Pocket and will only be paid to the Investment Manager upon the occurrence of a liquidity event referred to above.

### 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 Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.35%.

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

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$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.

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

under the "Investing in the SGH Medical Technology Fund", "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 Medical Technology Fund

Benefits of investing in the Fund include:

**Medical Technology equities portfolio:** An opportunity to invest in a diversified portfolio of medical technology companies where innovation plays a crucial role in improving global health and economic outcomes. This includes pharmaceuticals, medical devices & equipment, medical data, information technology (e-health), and robotics.

**Long-term capital growth potential:** A combination of many factors means that successful long-term investment in the medical technology sector is required for the early detection, prevention, and management of illness.

These factors include:

- Effects of COVID-19 pandemic
- Aging western world population
- Rising health care and insurance costs
- Increased government spending on public health

**Investment expertise and deal flow:** Access to the skills and expertise of SGH, a boutique investment manager with a successful long-term track record in identifying emerging companies and exposure to unlisted and pre-IPO medical technology deals.

**High quality and ESG based Investment approach:** The Investment Manager utilises a high-quality value-active-based investment approach that fully integrates environmental, social, and governance (ESG) factors, including medical ethics, to identify company risks and drive sustainability of returns.

**Company engagement:** The Investment Manager actively engages with company management on all ESG factors relevant to achieving sustainable shareholder returns.

**Social impact:** Medical technology investments can assist to drive the welfare of future generations by establishing efficiencies in healthcare services and improving the quality of those services, whilst driving down costs, which can lead to better health and economic outcomes.

**Charitable donations:** The Investment Manager will donate 10% of the SGH Medical Technology Fund's annual net management fees and performance fees to Australian medical research charities via the SGH Foundation.

## 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 and the 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.

### Equity market risk

The Fund may fall in value because of equity market fluctuations. Medical technology stocks can also be more volatile than other equity market investments. The value of medical technology shares can vary significantly because of changes to intellectual property, government funding, regulatory approval, market structure, product distribution, company management and cash requirements, or investor confidence, and may fall considerably in a stock market decline.

### Stock selection risk

The Investment Manager uses a stock selection process to identify investment opportunities which it believes are most likely to outperform the Fund's benchmark. There is a risk that these selected investments will not perform in line with the Investment Manager's expectations. This risk is mitigated to some extent by the skills and experience of the Investment Manager.

### Portfolio management risk

The Fund is subject to portfolio management risk because it is an actively managed investment fund. The Investment Manager will apply investment process and portfolio risk management, but there is no guarantee that the Fund will successfully outperform its benchmark.

### Government funding, regulatory approval, and legal risk

Medical Technology companies may benefit from government funding and are subject to laws and regulatory approval for product market access. There is a risk that funding, laws, or regulatory approvals may change (for example, where a company's product is subject to a product recall) that may significantly impact the Fund's investments. There is also the risk of a legal challenge to a medical technology company's intellectual property.

### Liquidity risk

The Investment Manager does not guarantee the liquidity of the SGH Medical Technology Fund's investments. The Fund has exposure to emerging companies and unlisted and pre-IPO investments, which are traded at lesser volumes and less frequency or are illiquid. Therefore, the Fund is considered to be less liquid than a large company share fund. Emerging companies and unlisted investments can also be more volatile than other ASX-listed shares. This may inhibit the ability of investors to withdraw all or part of their investment in the Fund when they wish to do so.

Where considered appropriate to assist in managing this Liquidity Risk, the Responsible Entity may segregate certain unlisted assets or groups of unlisted assets.

(Refer to Section 2 for further information on the ability to segregate certain assets in a Side Pocket and the implications of this).

### Currency Risk

The Fund will invest in securities listed on non-Australian exchanges denominated in currencies other than Australian dollars. If these foreign currencies change in value relative to the Australian dollar, the value of the investments can also change materially. The Investment Manager will not hedge currency exposures in the Fund.

### 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, the Administrator and other service providers could be reduced, delayed, suspended or otherwise disrupted.

### Further reading

Before making a decision to invest, you should read the important information in the SGH Medical Technology Fund Reference Guide "Additional risks of managed investment schemes" section about additional risks that apply to the Fund. 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:** When choosing to invest in the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

### Investment objective

To provide long-term capital growth by investing in a portfolio of medical technology companies where innovation plays a crucial role in improving global health and economic outcomes. This includes biotechnology, pharmaceuticals, medical devices & equipment, medical data, information technology (e-health), and robotics.

### Performance benchmark

S&P/ASX 200 Health Care Accumulation Index (XHJAI).

### Minimum suggested time frame

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

### Risk level of the Fund

High

There is a risk that 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 over the long term. This risk grading may not accurately measure the actual level of risk of the Fund and is not an indicator of likely returns.

### Investor suitability

Designed for investors seeking a diversified portfolio of medical technology companies and medium to long-term capital growth and for those who can accept short-term volatility associated with equity market risk, as well as sector and stock-specific risk.

### Investment strategy

The Investment Manager seeks to achieve long-term capital growth by focusing stock selection on:

1. Share valuation
2. Company management and industry structure
3. Behavioural factors to determine investment-timing

It is intended that the investment portfolio will consist of 40 to 60 companies split between:

**Mature Growth** – companies that have established medical products, generate revenue and are profitable. Typically, the medical technology is hard to disrupt or replicate and has a leading market position, e.g. CSL Limited.

**Developing Growth** - companies that have disruptive intellectual property in the medical technology space. Typically, these companies are in late-stage clinical trials or have registered or approved medical products, growing market access, and early-stage revenue.

**Seed** – companies that are involved in drug discovery, clinical trials or disruptive medical technology, e.g., start-ups. Typically, these are fast-growing and highly innovative companies with exponential growth potential from successful medical product commercialisation.

Unlisted and pre-Initial Public Offering (IPO) companies – these companies will typically reside in the “Seed” and “Developing Growth” stage of their life-cycle as defined above.

### Investment guidelines

- The Fund will invest predominantly in medical technology companies and securities listed on the Australian Securities Exchange (ASX).
- No more than 30% of the portfolio to be invested in international companies
- Unlisted companies & pre-IPO companies with maximum portfolio exposure of 20%
- Minimum number of stocks 40 (no maximum limit)
- Maximum cash holding of 20%
- No more than 10% of the market value of the portfolio to be held in any company (unless in a Side-Pocket – see section 2)
- No more than 10% of a company’s issued capital
- The Fund is not permitted to be geared or deal in derivatives
- The Fund can borrow up to 5% of NAV to meet redemption requests).

### Environmental, social, and governance (ESG) considerations

The Investment Manager is a signatory to The UN-supported Principles for Responsible Investment (PRI) and has a formal Board endorsed environmental, social, and governance (“ESG”) policy. This incorporates the guidelines from the Australian Council of Superannuation Investors and the framework provided under the Principles for Responsible Investment. SGH regards itself as a responsible investor and takes an active approach to integrating and embedding ESG considerations into its investment decision-making process and engaging with company boards and management on ESG issues. SGH believes effective governance structures and processes help reduce risk, provide insight into the company’s culture and intangible assets, and ultimately reflect a company’s intrinsic value over the long term.

## 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

### SGH Medical Technology 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>	1.33% of the NAV of the Fund	The management fees component of management fees and costs are accrued daily and paid from the Fund 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 Fund as they are incurred.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	0.41% of the NAV of the Fund <sup>3</sup>	Performance fees are calculated daily and paid annually in arrears from the Fund and reflected in the unit price.
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.00% of the NAV of the Fund	Transaction costs are variable and deducted from the Fund 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)

<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	0.35% upon entry and 0.35% 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 Fund and are 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.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable

## SGH Medical Technology Fund

Type of fee or cost	Amount	How and when paid
<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.

<sup>3</sup> This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager. The performance fee is calculated by reference to a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12-month period. See "Performance fees" below for more information. See "Performance fees" below for more information.

## 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 1.33% p.a. of the NAV of the Fund 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 Fund 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 Fund 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.

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.

### Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. As the performance fee for the Fund was first introduced in the financial year ending 30 June 2022, the performance fee of 0.41% of the NAV of the Fund represents a reasonable estimate of the performance fee which would be paid by the Fund in the financial year ending 30 June 2022 based on the relevant information for a similar product offering in the market offered by the Investment Manager.

In terms of the performance fees payable to the Investment Manager, a performance fee is payable where the investment performance of the Fund exceeds the performance of the S&P/ASX 200 Health Care Accumulation Index (XHJAI) (after management fees). The performance fee is 20.5% 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. The performance fee will be subject to a high water-mark which means no performance fee is payable until any accrued underperformance, as against the performance hurdle, from prior periods has been made up.

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Funds will be. Information on current performance fees will be updated from time to time and available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

### 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 Fund will incur when buying or selling assets of the Fund. 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 Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.35% upon entry and 0.35% upon exit. The dollar value of these costs based on an application or a withdrawal of \$20,000 is \$70 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.sghiscock.com.au](http://www.sghiscock.com.au) 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 Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.30% p.a. of the NAV of the Fund, which is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period.

In relation to the costs that have been estimated, they have been estimated on the basis of typical fees and costs of similar investments obtained through research in the market.

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 Fund. 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.

### 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 1300 133 451 (Australia) or +61 2 8259 8888 for further information.

## 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 – SGH Medical Technology 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 fees and costs	1.33% p.a.	<b>And</b> , for every \$50,000 you have in the SGH Medical Technology Fund you will be charged or have deducted from your investment \$665 each year
<b>Plus</b> Performance fees	0.41% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$205 in performance fees each year
<b>Plus</b> Transaction costs	0.00% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs
<b>Equals</b> Cost of SGH Medical Technology 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 and costs of: \$870* <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 performance fees stated in this table are based on the average performance fee for the Fund, over the previous five financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

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

### 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

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.

### 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.

## 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).

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.

# 9. Other information

## Consent

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

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

The Investment Manager has not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. The Investment Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

## Further reading

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

- Your privacy;
- The Constitution;
- Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF");
- 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.