

# Alpha Australian Blue Chip Fund

## Product Disclosure Statement

mFund IWM03  
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### About this PDS

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

The offer to which this PDS relates is available to persons receiving the 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 US 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 except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

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 advice tailored to your personal circumstances and consider whether the information in this PDS is appropriate for you in light of those circumstances.

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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 by calling Alpha Fund Managers on +61 2 8209 3915 or going to [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

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 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 materially adverse impact on you or other significant events that affect the information contained in this PDS. Any information that is not materially adverse is subject to change from time to time and may be updated and obtained by calling Alpha Fund Managers on +61 2 8209 3915 or going to [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto). A paper copy of the updated information will be provided free of charge on request.

#### Investment Manager

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#### Responsible Entity

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GPO Box 2307 Melbourne VIC 3001  
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#### Administrator

Mainstream Fund Services PTY Ltd  
ACN 118 902 891  
Lvl 1, 51-57 Pitt Street  
Sydney NSW 2000  
Ph: 1300 133 451  
Web: [www.mainstreambpo.com](http://www.mainstreambpo.com)

# 1. About Equity Trustees Limited

## The Responsible Entity

### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 ("Equity Trustees"), 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 Alpha Fund Managers Pty. Ltd. ("Alpha Fund Managers"), 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

### Alpha Fund Managers Pty Ltd

Alpha Fund Managers is a boutique fund manager established in 2007 with the specific purpose of establishing the Alpha Fund Series. Alpha Fund Managers is a corporate authorized representative of Infocus Securities Australia Pty Ltd (AFSL 236523) ABN 47 097 797 049. Both of these companies are wholly owned subsidiaries of Infocus Wealth Management Limited ABN 28 103 551 015.

The Alpha Fund Series provides investors with access to sector-specific multi-manager funds in the following asset classes: large market capitalisation Australian shares, small to mid-market capitalisation Australian shares, global shares, fixed interest securities, property securities, infrastructure assets and alternative assets.

### Alpha Fund Managers' Investment Philosophy

Alpha Fund Managers' investment philosophy is based on the belief that quality investment managers exist that have the ability to consistently generate 'alpha' over the medium to long-term and through all financial market cycles irrespective of any style bias (growth, value, growth at reasonable price (GARP), neutral etc). The Alpha portfolios are constructed and managed with a view to capitalise on this by blending a range of unique and complementary strategies, that on aggregate deliver superior performance across time and at a lower risk as measured by the funds standard deviation.

### The Alpha Fund Series Investment Objective

The Alpha Fund Series is designed specifically to provide investors with access to a diversified mix of 'best of breed' investment strategies within each sector fund with the aim of delivering consistent long-term outperformance across different market cycles, with a commensurate or lower risk than the respective benchmark.

## 2. How the Alpha Australian Blue Chip Fund works

The Fund is a registered managed investment scheme. The Fund is 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 Fund when they invest. In general, each unit represents an equal interest in the assets of the Fund subject to liabilities; however it does not give investors an interest in any particular asset of the Fund.

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

## Applying for units

You can acquire units by completing the Application Form that accompanies this PDS or by making an application through the mFund settlement service ("mFund") by placing a buy order for units with your licensed broker. The minimum initial investment amount for the Fund is \$25,000.

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

Mainstream Fund Services PTY Ltd  
Client Services Registry Team  
GPO Box 4968  
Sydney, NSW, 2001

Please note that cash cannot be accepted.

Ask your licensed broker to apply for units in the Fund via mFund. In this situation you will need to provide the application money in relation to your application to your licensed broker.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day (as defined in the Reference Guide) 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 Application Form. The minimum additional investment is \$10,000.

## 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 semi-annually at the end of June and December. Distributions are calculated effective the last day of each accounting period and are normally paid to investors as soon as practicable after the distribution calculation date.

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

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

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

In some circumstances, where an investor makes a large withdrawal request (i.e. the withdrawal request is in respect of 5% or more of the total units on issue), their withdrawal proceeds may 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 distributions.

## 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  
Client Services Registry Team  
GPO Box 4968  
Sydney, NSW, 2001

or sending it by fax to +61 2 9251 3525

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

The minimum withdrawal amount is \$10,000. Once we receive 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 receipt of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account or, where the request is received via mFund, to the investor's licensed broker. However, the Constitution allows Equity Trustees 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).

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 \$25,000 as a result of processing your withdrawal request. Equity Trustees can deny a withdrawal request or suspend consideration of a withdrawal request in certain circumstances, including where accepting the request is not in the best interests of investors in the Fund or where the Fund is not liquid (as defined in the Corporations Act). 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 have invested indirectly in the Fund through an IDPS, you need to provide your redemption request directly to your IDPS Operator. The time to process a redemption request will depend on the particular IDPS Operator.

## 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 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 under "Investing in the Alpha Funds", "Managing your investment" and "Withdrawing your investment" about:

- application cut-off times;
- authorised signatories;
- reports;
- withdrawal cut-off times;
- withdrawal terms; and
- withdrawal restrictions,

before making an investment decision. Go to the Reference Guide which is available at [www.alphafundmanagers.com.au](http://www.alphafundmanagers.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 Alpha Australian Blue Chip Fund

The Alpha Australian Blue Chip Fund is designed for investors seeking strong, medium to long term capital growth potential from higher market capitalisation Australian shares, combined with the potential for a steadily increasing dividend stream paid from the underlying shares and derivatives. The Fund aims to outperform the S&P/ASX 300 Accumulation Index (before fund fees and expenses and before taxes) over rolling 3 to 5 year periods. The Fund invests predominantly in a diversified portfolio of underlying funds that provide exposure to large market capitalisation shares, with a relatively low level of portfolio turnover targeted as well as a moderate level of franked dividend income.

## 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 does 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 advice, you should contact a licensed financial adviser.

## Interest rate risk

Changes in official interest rates can directly and indirectly impact investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus the valuation of investments. For instance, rising rates can have a negative impact on the value of a fund or company as increased borrowing costs may cause earnings to decline. As a result, the unit value of the fund or the share price of the company or unit price of a fund in which the Fund invests may fall.

## Market risk

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

## Issuer specific risk

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

## Fund risk

Risks particular to the Fund include that the Fund could terminate, the fees and expenses could change, the Investment Manager or Responsible Entity could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly. We aim to keep fund risk to a minimum by monitoring the Fund.

## Security or underlying fund selection risk

The Investment Manager or the investment managers of the underlying funds in which the Fund invests, may make investment decisions that result in returns that do not meet your expectations. This risk is mitigated to some extent by the knowledge and experience of the Investment Manager and the underlying investment managers.

## Legal risk

There is a risk that laws, including tax laws, might change or become difficult to enforce which may adversely affect the fund.

## Liquidity risk

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

## 5. How we invest your money

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

### Investment objective

To outperform the Benchmark over rolling 3 to 5 year periods.

### Benchmark

S&P/ASX300 Accumulation Index.

## Minimum suggested time frame

3-5 years.

## Risk level of the Fund

High

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

## Investor suitability

Suited to medium to long-term investors seeking exposure to predominantly large market capitalisation Australian equities with the potential to achieve long term capital growth and a steadily increasing income stream.

## Asset allocation

The Fund generally gains its investment exposure by investing in underlying funds that provide exposure to a well diversified portfolio of Australian share investment managers.

The Fund's investments generally provide exposure to stocks within the S&P/ASX 300 Accumulation Index. However, the Fund has the capacity to gain exposure to investment opportunities outside the index, provided the stocks are listed on the ASX.

There are no pre-determined ranges in relation to the underlying funds or asset classes.

## Labour, environmental, social and ethical considerations

Equity Trustees and Alpha Fund Managers do not take into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising investments of the Fund.

## Fund performance

Up to date information on the performance of the Fund will be available by calling Alpha Fund Managers on +612 8209 3915 or visit the [Alpha Fund Managers website](http://www.alphafundmanagers.com.au) [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au).

## 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 contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The information in the following table can be used to compare costs between this and other simple managed investment schemes. Fees and costs are deducted from the assets of the Fund and reduce the investment return to investors. For information on tax please see Section 7 of this PDS.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment Fee	Nil
Contribution Fee	Nil
Withdrawal Fee	Nil
Exit Fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment <sup>1</sup>	<b>Management fees:</b> 0.61% p.a. of the value of your units in the Fund <sup>2</sup>
	<b>Indirect costs:</b> 1.04% p.a. of the value of your units in the Fund <sup>3</sup> <b>Performance fees:</b> 20.5% of the amount by which the Fund's performance exceeds the benchmark. Any underperformance from a prior period must be recouped before a fee can be taken (we call this the high-watermark) <sup>4</sup>

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

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

<sup>3</sup> The indirect costs are calculated and incorporate estimated amounts with reference to the relevant costs incurred during financial year ended 30 June 2017. See "Indirect costs" below for more information.

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

## Additional Explanation of fees and costs

### What do the management costs pay for?

Management costs comprise the additional fees or costs that a unitholder incurs by investing in the Fund rather than by investing directly in the assets.

The management fees of 0.61% p.a. of the NAV of the Fund are payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, ordinary expenses such as investment management fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are covered by the management fees at no additional charge to you.

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

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

### Performance fees

Performance fees are payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the benchmark. The performance fees are 20.5% of this excess, calculated daily and paid annually in arrears from the Fund and calculated based on the beginning NAV of the Fund over the relevant period.

No performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a high-watermark).

Based on the current calculation methodology for the performance fee, the Responsible Entity has estimated that the typical ongoing performance fee payable per annum may be \$0 assuming an average account balance of \$50,000 during the year. Prior periods have been taken into account in calculating this estimate. However, this is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the benchmark.

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

### Indirect costs

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

The estimated components of the Fund's indirect costs are based on the financial year ended 30 June 2017

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

### Transactional and operational costs

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

The Buy/Sell Spread reflects the estimated transaction costs incurred in buying or selling assets of the Fund when investors invest in or withdraw from the Fund. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Fund and is not separately charged to the investor. The Buy/Sell Spread is paid into the Fund 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 \$25,000 is \$87.50 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion.

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

During the financial year ended 30 June 2017, the total transaction costs for the Fund were 0.23% of the NAV of the Fund, of which 61% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 0.09% p.a. However, such costs for future years may differ.

### Can the fees change?

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

### Payments to IDPS Operators

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

### Differential fees

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

### mFund

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

### Example of annual fees and costs for the Fund

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

Example – Alpha Australian Blue Chip Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0
<b>Plus</b>		
Management Costs	1.65% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$825 each year comprising:
<b>Comprising:</b>		
Management fees:	0.61% p.a.	\$305
Indirect costs:	1.04% p.a.	\$520
Performance fees:	0.00% p.a.	\$0
<b>Equals</b>		
Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, then you would be charged fees of: \$825* <b>What it costs you will depend on the fees you negotiate.</b>

\*This example assumes the \$5,000 contribution occurs at the end of the first year, therefore management costs are calculated using the \$50,000 balance only. Indirect costs are not a fee earned by or paid to the Responsible Entity or the Investment Manager.

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. 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 your investment in the Fund. The performance fees stated in this table shows the actual performance fees for the financial year ended 30 June 2017 as a percentage of the Fund's average NAV. The performance of the Fund, and the performance fees, may be higher or lower or not payable in the future. As a result, the management costs may differ from the figure shown in the table. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future. See also above (next to the heading "Performance fees") our estimated typical ongoing performance fees fee payable per annum. The actual indirect costs and performance fees for the current financial year and for future financial years may differ. For more information on the performance history of the Fund, visit Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto). Past performance is not a reliable indicator of future performance.

### Further reading...

You should read the important information in the Reference Guide under "Fees and costs" about the fees and costs associated with investing in the Fund before making an investment decision. Go to the Reference Guide which is available at [www.alphafundmanagers.com.au](http://www.alphafundmanagers.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 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"), are attributed to them.

### Further reading

If applicable, you should read the important information in the Reference Guide under "Other important information" about AMIT before making an investment decision. Go to the Reference Guide which is available at [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 8. How to apply

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

Mainstream Fund Services PTY Ltd  
Client Services Registry Team  
GPO Box 4968  
Sydney, NSW, 2001

Ask your licensed broker to apply for units in the Fund via mFund. In this situation you will need to provide the application money in relation to your application to your licensed broker.

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

### Who can invest?

Eligible persons (as detailed in the 'About this PDS' section) can invest, however individual investors must be 18 years of age or over. Investors investing through an IDPS should use the Application Form provided by the operator of the IDPS.

### Cooling-off period

If you are a Retail Client (as defined in the Corporation Act) 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 a unit holder in the Fund during the 14 day period, this could include selling part of your investment or switching it to another product.

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 a unitholder 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 and complaints

If you have any questions regarding the management of the Fund, you can contact the Investment Manager on +61 2 8209 3915. If you are not completely satisfied with any aspect of our services regarding the management of the Fund, please contact Equity Trustees. Equity Trustees seeks to resolve potential and actual complaints over the management of the Fund to the satisfaction of investors. If you wish to lodge a formal complaint please write to:

Compliance Team  
Equity Trustees Limited  
GPO Box 2307  
Melbourne VIC 3001  
Email: [complianceteam@eqt.com.au](mailto:complianceteam@eqt.com.au)

Equity Trustees will respond within 14 days of receiving the complaint and will seek to resolve your complaint as soon as practicable but not longer than 45 days after receiving the complaint. If we are unable to resolve your complaint, you may be able to seek assistance from the Financial Ombudsman Service ("FOS"). To find out whether you are eligible (and if so, to make a complaint) contact FOS on 1800 367 287 (Australia) or +61 3 9613 7366, [info@fos.org.au](mailto:info@fos.org.au) or GPO Box 3, Melbourne VIC 3001.

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

FOS can assist you if Equity Trustees cannot. FOS may not consider a dispute where the value of a person's claim exceeds \$500,000. FOS is only able to make a determination of up to \$309,000 per managed investment claim (excluding compensation for costs and interest payments). These monetary limits and the FOS terms of reference do change from time to time. Current details can be obtained from the FOS website ([www.fos.org.au](http://www.fos.org.au)).

## 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 and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its 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 the Fees and Costs section of this PDS.

### **Further reading**

You should read the important information in the Reference Guide "Other important information" section about:

- your privacy;
- the Constitution for the Fund;
- the Anti-Money Laundering and Counter-Terrorism Financing laws ("AML/CTF laws");
- Indirect Investors;
- Information on underlying investments;
- Foreign Account Tax Compliance Act ("FATCA"); and
- Common Reporting Standards ("CRS"),

before making a decision to invest. Go to the Reference Guide which is available at [www.alphafundmanagers.com.au](http://www.alphafundmanagers.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.