

# Alpha Australian Small Companies Fund



## Product Disclosure Statement

mFund IWM07  
ARSN 124 204 084  
APIR ETL0092AU  
Issue Date 23 July 2020

### 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 Small Companies Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the Alpha Funds 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 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 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 calling Alpha Fund Managers on +61 3 8652 3854 or going to [www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au) or [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or by calling the Responsible Entity.

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 calling Alpha Fund Managers on +61 3 8652 3854 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

Alpha Fund Managers Pty Ltd.  
ACN 124 085 883  
Ph: +61 3 8652 3854  
[enquiries@alphafundmanagers.com.au](mailto:enquiries@alphafundmanagers.com.au)  
[www.alphafundmanagers.com.au](http://www.alphafundmanagers.com.au)

#### Responsible Entity

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

#### 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, 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" or "Investment Manager"), 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 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.

Each fund in the Alpha Fund Series has the aim of delivering consistent long-term outperformance across different market cycles, with a commensurate or lower risk than the respective benchmark for each fund.

# 2. How the Alpha Australian Small Companies Fund works

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive units in the 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 an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the PDS applies to direct investors.

## Applying for units

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

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

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.35%.

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 into the Fund 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, however, Equity Trustees may change the distribution frequency without notice. Distributions are calculated effective the last day of each distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

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

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

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

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

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

## Access to your money

Investors in the Fund can generally withdraw their investment by completing a 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 and accept your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s) or if the withdrawal is received via mFund.

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

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. In certain circumstances, for example, when there is a freeze on withdrawals, where accepting a withdrawal is not in the best interests of investors in the Fund including due to one or more circumstances outside its control or where the Fund is not liquid (as defined in the Corporations Act), Equity Trustees can deny or suspend a withdrawal request and you may not be able to withdraw your funds in the usual processing times or at all. When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

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

### Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

### Additional information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Investors would then have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

### Further reading

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

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

under the "Investing in the Alpha Funds", "Managing your investment" and "Withdrawing your investment" sections before making a 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 Small Companies Fund

The Alpha Australian Small Companies Fund is designed for investors seeking the potential for superior long-term returns by investing in an actively managed portfolio of predominately small and medium capitalisation Australian equities. The Fund aims to outperform (before Fund fees and expenses and before taxes) the S&P/ASX Small Ordinaries Accumulation Index over rolling 5 to 7 year periods. The Fund may exhibit a relatively benchmark unaware process in pursuit of superior returns (i.e. the Fund won't necessarily have exposure to a stock just because it is in the Benchmark). Therefore, the composition and returns of the portfolio may deviate significantly from that of the Benchmark. The Fund invests directly or indirectly (via underlying funds, ETFs or investment management mandates) in the pursuit of the underlying investment strategy.

## 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 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.

## Interest rate risk

Changes in 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 an 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 in the underlying strategies or assets of the Fund. We aim to keep fund risk to a minimum by monitoring the Fund.

## Security or underlying strategies selection risk

The Investment Manager or the investment managers of the underlying strategies 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. However, this risk is generally higher in emerging markets, in which the Fund does not invest.

## Liquidity risk

There may be times when the securities or the underlying strategies in which the Fund invests may become illiquid and 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.

## Derivative risk

The Fund and underlying strategies in which the Fund invests may use derivatives. In the case of derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve the possibility that derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security. In addition, derivatives can lose value because of a sudden price move, or because of the passage of time.

# 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 5 to 7 year periods.

## Investment strategy

The Fund invests directly or indirectly (via underlying funds, ETFs or investment management mandates) to construct an actively managed portfolio of predominately small and medium capitalisation Australian equities. The Fund may exhibit a relatively benchmark unaware process in pursuit of superior risk-adjusted returns (i.e. the Fund won't necessarily have exposure to a stock just because it is in the Benchmark) therefore the composition and returns of the portfolio may deviate from that of the Benchmark. Derivatives may be used to manage position exposures at both the Fund and underlying strategy level.

## Benchmark

S&P/ASX Small Ordinaries Accumulation Index.

## Minimum suggested time frame

5-7 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

The Fund is designed for investors seeking exposure to predominantly small to medium capitalisation Australian equities with the potential to achieve long term capital growth.

## Asset allocation

The Fund gains its investment exposure by investing directly or via underlying strategies that provide exposure to a well diversified portfolio of Australian small and medium market capitalisation shares and cash. The Fund's investments generally provide exposure to stocks within the S&P/ASX Small Ordinaries Index. However, the Fund has the capacity to gain exposure to investment opportunities outside the index.

There are no pre-determined ranges in relation to the direct investments, underlying strategies or asset classes.

## Changing the investment strategy

The investment strategy and asset allocation parameters may be changed. If a change is to be made, investors in the Fund will be notified in accordance with the Corporations Act.

## 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 +61 3 8652 3854 or by visiting the Alpha Fund Managers website [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 account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

The information in the following template can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from an investor's account or deducted from investment returns. For information on tax please see Section 7 of this PDS.

TYPE OF FEE OR COST	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment <sup>1</sup>	<b>Management fees:</b> 1.00% p.a. of the NAV of the Fund <sup>2</sup> <b>Indirect costs:</b> 2.61% p.a. of the NAV of the Fund <sup>3</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 the financial year ended 30 June 2019. See "Indirect costs" below for more information.

### Additional Explanation of fees and costs

#### What do the management costs pay for?

Management costs comprise the additional fees or costs that an investor incurs by investing in the Fund rather than by investing directly in the underlying assets of the Fund. Management costs include management fees and indirect costs.

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 met by Buy/Sell Spreads).

### Management fees

The management fees of 1.00% 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 (excluding transaction-based fees such as trading or settlement costs incurred by the custodian), administration and audit fees, and other ordinary expenses of operating the Fund are covered by the management fees at no additional charge to you.

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

### Indirect costs

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

The estimated components of the Fund's indirect costs are based on the financial year ended 30 June 2019. We have taken this approach as at the date of this PDS, the audited figures for the financial year ended 30 June 2020 figures are not available, and nothing has come to our attention to suggest that there are any material changes to the fees and costs arrangements for the Fund that would impact the indirect costs estimate.

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 transactional and operational costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, and the costs of derivatives used for hedging purposes (if applicable). This generally happens when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread 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 \$25,000 is \$87.50 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.alphafundmanagers.com.au](http://www.alphafundmanagers.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.

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

During the financial year ended 30 June 2019, the total transaction costs for the Fund were 0.42% of the NAV of the Fund, of which 48.40% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 0.22% 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 reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days' notice of any proposed change to the management fees. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Expense recoveries may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its 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 Small Companies 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
Plus		
Management costs	3.61% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$1,805 each year comprising:
Comprising:		
Management fees:	1.00% p.a.	\$500
Indirect costs:	2.61% p.a.	\$1,305
Equals		
Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$1,805* What it costs you will depend on the fees you negotiate.

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.

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.

Further reading...

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

- Indirect costs

under the "Additional information on fees and costs" section before making a 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 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.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 your completed Application Form to:

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

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

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

### Who can invest?

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

### Cooling off period

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 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 unit holder 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.

## 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 as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 45 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.

## 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. None of 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.

### mFund Settlement Service

You must use a mFund accredited and licensed broker to facilitate your transactions on mFund. Your chosen broker may charge you additional fees which are not outlined in Section 6 of this PDS.

### Further reading

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

- Your privacy;
- The Constitution;
- Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF");
- Indirect Investors;
- Information on underlying investments;
- Foreign Account Tax Compliance Act ("FATCA");
- Common Reporting Standard ("CRS"), and
- NAV of the Fund.

under the "Other important information" and "Direct debit request service agreement" sections before making a 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.