

# Spire Copper Rock Capital Global Smaller Companies Fund



**SPIRE**  
CAPITAL

## Product Disclosure Statement

mFund SPC01  
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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 Class B Units in the Copper Rock Capital Global Small Cap Fund, known as the Spire Copper Rock Capital Global Smaller Companies Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the Spire Copper Rock Capital Global Smaller Companies Fund 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 only available to persons receiving this PDS in Australia and New Zealand (electronically or otherwise). New Zealand investors must read the Spire Copper Rock Capital Global Smaller Companies Fund New Zealand Investors Information Sheet before investing in the Fund. All references to dollars or "\$" in this PDS are to Australian dollars.

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.

### Contents

1. About Equity Trustees Limited
2. How the Spire Copper Rock Capital Global Smaller Companies Fund works
3. Benefits of investing in the Spire Copper Rock Capital Global Smaller Companies Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

### The Reference Guide

Throughout the PDS, there are references to additional information contained in the Reference Guide. You can obtain a copy by calling Equity Trustees on +61 3 8623 5000 or Spire Capital on +61 2 9377 0755 or by visiting [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 Equity Trustees on +61 3 8623 5000 or Spire Capital on +61 2 9377 0755 or by visiting [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.

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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 ("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 Copper Rock Capital Partners LLC 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

### Copper Rock Capital Partners LLC

Copper Rock was established on 1 February 2005 and provides specialised, growth equity investment management for pension and profit sharing plans, institutional investors, and mutual funds. As of 30 June 2017, the firm had approximately US\$5.7 billion in assets under management.

Copper Rock provides specialized global equity investment management solutions for institutional investors located throughout the world. Specialist in global equity investing, with a rich history in small to mid cap equities, the firm's strategies are managed by a highly experienced investment team which combines the use of a proven and proprietary quantitative model with deep fundamental research to identify global small and mid cap growth equities which provide superior earnings growth and returns relative to their peers. The firm is an affiliate of Old Mutual Asset Management (OMAM), Inc. with the principals of Copper Rock having a significant ownership stake in the firm. Copper Rock benefits from the best of both worlds: the entrepreneurial environment of a small, specialised investment boutique with access to the substantial resources of a global financial services organisation.

## Sales & Marketing Manager

### Spire Capital Pty Ltd

Spire Capital is an employee owned funds management firm based in Sydney. Via the Spire Global Investment Series it offers Australian Self Managed Super Funds and retail investors access to the investment strategies of leading global fund managers across a variety of asset classes. The Fund forms part of the offerings available via the Spire Global Investment Series. Further information is available at [www.spirecapital.com.au](http://www.spirecapital.com.au).

# 2. How the Spire Copper Rock Capital Global Smaller Companies 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 Class B units in the Fund when they invest. In general, each unit represents an equal interest in the Class B 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 \$10,000.

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

State Street Australia Limited  
Unit Registry  
Level 14, 420 George Street  
Sydney NSW 2000

Please note that cash cannot be accepted.

If applying via mFund you will need to provide the application money directly 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 0.20%.

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. You can also make an additional application for units through mFund. The minimum additional investment into the Fund is \$5,000.

## 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 annually at the end of June. 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 (as defined in the Reference Guide) should review their IDPS guide for information on how and when they receive any income distribution.

New Zealand investors can only have their distribution paid in cash if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested (refer to the Spire Copper Rock Capital Global Smaller Companies Fund New Zealand Investors Information Sheet)

## 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:

State Street Australia Limited  
Unit Registry  
Level 14, 420 George Street  
Sydney NSW 2000

Or sending it by fax to +61 2 9323 6411

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 0.20%. 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 \$5,000 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 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.

## 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 Fund", "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.eqt.com.au/insto](http://www.eqt.com.au/insto). 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 Spire Copper Rock Capital Global Smaller Companies Fund

The Fund aims to provide investors with diversification opportunities by investing in a portfolio of quality global small cap equities which offers superior and consistent returns compared with global large/mid cap equities. In selecting the portfolio of investments of the Fund, Copper Rock will focus on choosing global small cap equities which exhibit lower levels of risk relative to global large/mid cap equities at attractive valuations.

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

## Currency risk

The Fund may invest in securities denominated in currencies of other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment can change. The Investment Manager may hedge foreign currency exposures into Australian dollars with the goal of reducing the impact of adverse movements in overseas currencies. There can be no assurance that foreign currency exposures of the Fund or any investments will be hedged at any, or all, times or that the Investment Manager will be successful at employing a hedging strategy. For New Zealand investors, please note that Application Prices and Redemption Prices are calculated in Australian dollars and redemptions are paid in Australian dollars. There may be a significant differences between:

- the New Zealand dollars paid to acquire units and the Australian dollars amounts against which investments are issued; and
- the amount of redemption proceeds paid by the Fund in Australian dollars and the amount received in New Zealand dollars, due to the foreign exchange spread.

## Derivatives risk

The Investment Manager may, but is not required to, use derivatives for risk management purposes or as part of its investment strategy for the Fund.

The use of derivative positions to hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that derivative positions may not move perfectly in line with the physical security. Fluctuations in the price of derivatives reflect movements in the underlying assets, reference rate or index to which the derivatives relate. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security.

Other risks associated with derivatives may include:

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

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

## Emerging markets risk

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

## Fund risk

Risks particular to the Fund include that it 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 assets of the Fund themselves because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

## Inflation risk

Inflation risk is the risk that returns will not be sufficiently higher than inflation to enable an investor to meet their financial goals.

## Interest rate risk

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

## International investing risk

The Fund will hold investments in global securities. Certain countries may impose restrictions on the ability of locally domiciled companies to make payments of principal, dividends or interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Generally, there may be less publicly available information about foreign companies due to less rigorous disclosure or accounting standards and regulatory practices. In addition, the Fund could be subject to risks associated with adverse political and economic developments in certain countries, which could cause the Fund to lose money on these investments.

## Legal risk

There is a risk that laws, including tax laws, might change or become difficult to enforce. This risk is generally higher in emerging markets. Legal and regulatory risk may affect the performance of individual investments held by the Fund.

## Liquidity risk

There may be times when there may be a limited secondary market for the securities in which the Fund may invest and that may affect the ability of the Fund to realise investments or to meet withdrawal requests (for example, in a falling market where companies may become less liquid). Small-capitalisation companies tend to be less liquid than larger capitalisation companies. The Investment Manager and the Responsible Entity attempt to mitigate the liquidity risk factor by generally investing in securities that are believed to offer sufficient liquidity. Note that neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the Fund's investments or of investments in the Fund.

## Market risk

The market price of investments may go up or down, sometimes rapidly or unpredictably. Assets may decline in value due to factors affecting markets generally or particular industries represented in the markets. The value of an investment may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, supply and demand for particular securities or instruments, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general market downturn, multiple asset classes may decline in value simultaneously. Further, changes in tax, legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may influence the value of the investments of the Fund, and your investment in them.

## Security selection risk

The Investment Manager may make investment decisions that result in low returns. This risk is mitigated to some extent by the knowledge and experience of the Investment Manager.

## Security specific risk

There may be instances where a company or managed investment scheme will fall in price because of company/ managed investment scheme specific factors (for example, where a company's or manager's major product is subject to a product recall). The value of investments can vary because of changes to management, product distribution or the company's business environment.

## Small company risk

The Fund invests primarily in small-capitalisation companies. While small-capitalisation companies may offer greater potential for capital appreciation than larger more established companies, they may also involve greater risk of loss and price fluctuation. The market for securities of small-capitalisation issuers may be less liquid and more volatile than securities of larger companies. This means that the Fund could have greater difficulty buying or selling a security of a small capitalisation issuer at an acceptable price, especially in periods of market volatility.

## Unquoted securities

The Fund has the ability to invest in unquoted securities and companies and due to the nature of these investments the Fund might not get back the full amount originally invested. Investments in unquoted securities are generally illiquid and, accordingly, the realisation of investments in those securities may take significantly longer than investments in quoted securities and/or may be at a discount to the fair value of those 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

The Fund aims to outperform the MSCI World Small Cap Index by 2% to 3% p.a. gross over a full market cycle (e.g. 5 to 7 years).

## Benchmark

MSCI World Small Cap Index.

## Minimum suggested time frame

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

## Risk level of the Fund

High.

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

## Investor suitability

The Fund is suitable for investors seeking the diversification benefits of an allocation to international equities and who are seeking capital appreciation over the long term by investing in global small cap equities which Copper Rock believe have the prospects to generate superior returns.

## Investment style and approach

Copper Rock believes using a hybrid fundamental-quantitative approach to identify companies with superior growth relative to their peers will lead to consistent levels of outperformance. Copper Rock seeks to identify the emerging leaders across industries because investing in future market leaders enables it to provide its clients with access to best-of-class companies at an early point in their growth cycle and before widespread investor interest drives valuations upward. The global equities team at Copper Rock has been utilising the same investment process since April 2002.

## Asset allocation

- The Fund will invest primarily in equity securities of US and non-US issuers listed on globally recognised (net of GST and RITC) exchanges of developed markets.
- Investment in any one region or sector will generally be limited to +/- 6% relative to the Benchmark.
- Investment in any one security will generally be limited to +/- 3.5% relative to the Benchmark.
- The Fund may also invest up to 15% in emerging markets.
- The securities in which the Fund may invest include common stocks, preferred stocks, convertible debt, depository receipts, rights and warrants. The Fund may also invest in initial public offerings and private placements.
- The Fund will generally hold between 80 and 120 securities.
- The top 20 holdings will generally form 30% to 40% of the Fund.
- The Fund will generally hold a maximum of 5% in cash.
- The Fund will generally be unhedged, but there may be instances where the Fund has the ability to Hedge back into USD.

## 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 Copper Rock do not take into account labour standards or environmental, social or ethical considerations for the purpose 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 Spire Capital on +612 9377 0755. A free paper copy of the information will also be available on request.

## 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> 1.38% p.a. of the value of your units in the Fund <sup>2</sup>
	<b>Performance fees:</b> 15% of the amount by which the Fund's performance exceeds the Benchmark after fee is payable to the Investment Manager as an expense of the Fund. Any underperformance from a prior period must be recouped before a fee can be taken (we call this the high-watermark) <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> 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 1.38% 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 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 after fee is payable to the Investment Manager as an expense of the Fund. The performance fees are 15% 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).

#### 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 0.20% upon entry and 0.20% upon exit. The dollar value of these costs based on an application or a withdrawal of \$10,000 is \$20 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.

During the financial year ended 30 June 2017, the total transaction costs for the Fund were estimated to be 0.25% of the NAV of the Fund, of which 57% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 0.11% p.a.

### 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 Trust 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 or New Zealand Wholesale Investors.

### 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 – Spire Copper Rock Capital Global Smaller Companies 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 Comprising:	1.38% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$690 each year comprising:
Management fees:	1.38% p.a.	\$690
Performance fees:	0% 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: \$690* <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 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 "Additional information on 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.eqt.com.au/insto](http://www.eqt.com.au/insto). 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.eqt.com.au/insto](http://www.eqt.com.au/insto). 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:

- attach your cheque payable to 'State Street Bank & Trust Co – RBA4', or
- make payment by Austraclear or via direct deposit (see details in the Application Form),

and send your Application Form to:

State Street Australia Limited  
Unit Registry  
Level 14, 420 George Street  
Sydney NSW 2000

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 the operator of the IDPS.

### Cooling-off period

If you are a retail client (as defined in the Corporations 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 a fund by the IDPS. The right to cool off in relation to a fund are not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in a fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in a 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 a fund and any rights an indirect investor may have in this regard.

## 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");
- Common Reporting Standards ("CRS"); and
- Enquiries and complaints,

before making a decision to invest. Go to the Reference Guide which is available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.